



# The City of Morgantown

389 Spruce Street  
Morgantown, West Virginia 26505  
(304) 284-7439 Fax: (304) 284-7525  
www.morgantownwv.gov

Office of the City Clerk

## AGENDA MORGANTOWN CITY COUNCIL REGULAR MEETING

October 6, 2020  
7:00 p.m.

*To protect public health during the COVID-19 pandemic, personal attendance at the meeting is not permitted. This meeting will take place via WebEx at <https://cityofmorgantown.my.webex.com/meet/cityofmorgantown> using the meeting number 793 734 477. The meeting will be broadcast live on Morgantown 15 and live-streamed via the City of Morgantown website at <https://morgantownwv.viebit.com/>. The public can also listen live by calling 408-418-9388 and using the access code 793 734 477.*

*If members of the public wish to comment on a particular issue or public hearing, they should fill out the public comment sign-up form on our website which can be found at: <http://bit.ly/MCC100620>.*

*Additionally, the public can submit written comments via email to the City Clerk at [cwade@morgantownwv.gov](mailto:cwade@morgantownwv.gov).*

1. **CALL TO ORDER:**
2. **ROLL CALL:**
3. **PLEDGE:**
4. **APPROVAL OF MINUTES:** September 15, 2020, Special Meeting minutes; September 15, 2020, Regular Meeting minutes; September 29, 2020, Special Meeting minutes; September 29, 2020, Special Meeting minutes II; September 29, 2020, Committee of the Whole Meeting minutes.
5. **CORRESPONDENCE:**
  - A. Morgantown Fire Department New Hire Oaths
  - B. National Domestic Violence Awareness Month Proclamation
  - C. Municipal Government Week Proclamation
6. **PUBLIC HEARINGS:**
  - A. AN ORDINANCE PROVIDING FOR AN ELECTION TO CONSIDER AMENDMENT OF THE CITY CHARTER ESTABLISHING THE COMPOSITION, ELIGIBILITY, ELECTION, AND TERMS OF CITY COUNCIL MEMBERS AND FOR THEIR NOMINATION AND ELECTION
  - B. AN ORDINANCE TO APPROVE CURRENT REPLACEMENT PAGES TO THE CITY CODE

**7. UNFINISHED BUSINESS:**

**A. BOARDS & COMMISSIONS:**

**8. PUBLIC PORTION WHICH SHALL BE SUBJECT TO RULES ESTABLISHED BY COUNCIL AND ADOPTED BY RESOLUTION:**

**9. SPECIAL COMMITTEE REPORTS:**

**A. COMMUNITY POLICING & CITIZENS REVIEW BOARD** – *Councilor Cruze, Chair; Deputy Mayor Fetty, Vice-Chair*

**B. SPECIAL COMMITTEE ON UNSHELTERED HOMELESSNESS** – *Mayor Dulaney, Chair; Councilor Cruze, Vice-Chair; Deputy Mayor Fetty, Member; Councilor Selin, Member; and Councilor Harshbarger, Member.*

**10. CONSENT AGENDA:** *Reminder: Matters on the Consent Agenda are voted on collectively without any debate. If any member objects, an item is removed and considered under New Business.*

**A. Consideration of (SECOND READING) of AN ORDINANCE PROVIDING FOR AN ELECTION TO CONSIDER AMENDMENT OF THE CITY CHARTER ESTABLISHING THE COMPOSITION, ELIGIBILITY, ELECTION, AND TERMS OF CITY COUNCIL MEMBERS AND FOR THEIR NOMINATION AND ELECTION** (*First reading September 1, 2020*)

**B. Consideration of (SECOND READING) of AN ORDINANCE TO APPROVE CURRENT REPLACEMENT PAGES TO THE CITY CODE** (*First reading September 15, 2020*)

**11. NEW BUSINESS:**

**A. Consideration of ADOPTION of A SUPPLEMENTAL PARAMETERS RESOLUTION OF CITY COUNCIL WHICH WOULD (I) PROVIDE PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALES PRICES AND OTHER TERMS OF THE CITY'S COMBINED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020 A (TAX EXEMPT) (THE "SERIES 2020 A BONDS") FOR THE PURPOSE OF REFUNDING THE CITY'S OUTSTANDING COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS) (THE "SERIES 2010 A BONDS"); (II) APPROVE THE FORMS OF CERTAIN DOCUMENTS IN CONNECTION WITH THE REFUNDING OF THE SERIES 2010 A BONDS AND THE ISSUANCE OF THE SERIES 2020 A BONDS; (III) DESIGNATE A REGISTRAR AND PAYING AGENT; AND (IV) MAKE OTHER PROVISIONS AS TO THE SERIES 2020 A BONDS.**

**B. Consideration of APPROVAL of (FIRST READING) of AN ORDINANCE AMENDING CITY CODE TO ESTABLISH PARKING VIOLATION FEES**

**C. Consideration of APPROVAL of (FIRST READING) of AN ORDINANCE AMENDING ARTICLE 917 ENTITLED "COMMUNITY FORESTRY"**

**D. Consideration of APPROVAL of THE REPORT FROM THE WARD BOUNDARY COMMISSION**

E. Consideration of **APPROVAL of A RESOLUTION AUTHORIZING APPLICATION FOR GOVERNOR’S HIGHWAY SAFETY PROGRAM GRANT**

F. Consideration of **APPROVAL of A RESOLUTION REVISING THE RULES & REGULATIONS OF THE POLICE CIVIL SERVICE COMMISSION OF THE CITY OF MORGANTOWN**

**12. CITY MANAGER’S REPORT:**

**Information:**

1. Distribution of PPE from Sister City Xuzhou, China

**New Business:**

1. Trick-or-Treating during the COVID Pandemic
2. Bid Award – Airport Underground Tank Removal
3. Bid Award – Airport ADA Door Replacement

**13. REPORT FROM CITY CLERK:**

**14. REPORT FROM CITY ATTORNEY:**

**15. REPORT FROM COUNCIL MEMBERS:**

**16. EXECUTIVE SESSION:**

- A. Pursuant to West Virginia Code Section 6-9A-4 (2) (B) (12) to discuss potential or pending litigation
- B. Pursuant to West Virginia Code Section 6-9A-4 (b) (9) to discuss matters related to the acquisition or development of Real Estate in the Fifth Ward.

**17. ADJOURNMENT:**

**\*For accommodations, please contact us at 304-288-7072.**

# City of Morgantown

## SPECIAL MEETING September 15, 2020

The Special Meeting of the Common Council of the City of Morgantown was held via Webex on Tuesday, September 15, 2020, at 5:43 p.m.

**To protect public health during the COVID-19 pandemic, personal attendance at the meeting was not be permitted. When it was time, the public participated by videoconference at the following link: <https://cityofmorgantown.my.webex.com/meet/cityofmorgantown> with meeting number (access code) 793 734 477, or by calling in at the following number 408-418-9388 and using the access code 793 734 477.**

**PRESENT:** Via Webex Mayor Ron Dulaney, Deputy Mayor Rachel Fetty, and Council Members Bill Kawecki, Jenny Selin, Dave Harshbarger, and Barry Wendell. Zackery Cruze was absent.

The meeting was called to order by Mayor Dulaney.

**EXECUTIVE SESSION:** Pursuant to West Virginia Code Section 6-9a-4(b)(2)(a) to discuss personnel matters in considering new appointments for Boards and Commissions. Motion by Kawecki, second by Councilor Harshbarger, to go into executive session. Motion carried by acclamation. Present: City Council. Time: 5:45 p.m.

### **Morgantown Housing Advisory Commission – Morgantown Utility Board – Tree Board**

5:40 p.m. – Rachel Fetty - Morgantown Housing Advisory Commission (City Resident)

6:00 p.m. – Barbara Parsons – Morgantown Utility Board

6:20 p.m. – Jennifer Hagerty – Morgantown Housing Advisory Commission (Real Estate Agent)

6:40 p.m. – Dan Brown – Tree Board

### **ADJOURNMENT:**

There being no further business, motion by Councilor Kawecki, second by Councilor Harshbarger, to adjourn the meeting. Time: 7:08 p.m.

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City Clerk

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Mayor

# City of Morgantown

## SPECIAL MEETING September 29, 2020

The Special Meeting of the Common Council of the City of Morgantown was held via Webex on Tuesday, September 29, 2020, at 5:43 p.m.

*To protect public health during the COVID-19 pandemic, personal attendance at the meeting was not permitted. This meeting took place via WebEx at <https://cityofmorgantown.my.webex.com/meet/cityofmorgantown> using the meeting number 793 734 477, or by calling 408-418-9388 and using the access code 793 734 477.*

**PRESENT:** Via Webex Mayor Ron Dulaney, Council Members Bill Kawecki, Jenny Selin, and Dave Harshbarger. Deputy Mayor Rachel Fetty, Zackery Cruze, and Barry Wendell were absent.

The meeting was called to order by Mayor Dulaney.

**EXECUTIVE SESSION:** Pursuant to West Virginia Code Section 6-9a-4(b)(2)(a) to discuss personnel matters in considering new appointments for Boards and Commissions. Motion by Kawecki, second by Councilor Harshbarger, to go into executive session. Motion carried by acclamation. Present: City Council. Time: 5:44 p.m.

### Tree Board

5:40 p.m. – Matthew Cummons

6:00 p.m. – David Barnett

### **ADJOURNMENT:**

There being no further business, motion by Councilor Selin, second by Councilor Wendell, to adjourn the meeting. Time: 6:16 p.m.

\_\_\_\_\_  
City Clerk

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Mayor

**City of Morgantown**  
389 Spruce Street, Morgantown, WV 26505

**SPECIAL MEETING**  
**September 29, 2020**

To protect public health during the COVID-19 pandemic, personal attendance at the meeting was not permitted. This meeting took place via WebEx at <https://cityofmorgantown.my.webex.com/meet/cityofmorgantown> using the meeting number 793 734 477. The meeting broadcasted live on Morgantown 15 and live-streamed via the City of Morgantown website at <https://morgantownwv.viebit.com/>. The public could also listen live by calling 408-418-9388 and using the access code 793 734 477.

If members of the public wished to comment on a particular issue or public hearing, they could fill out the public comment sign-up form on our website found at: <http://bit.ly/MCC092920>. Additionally, the public could submit written comments via email to the City Clerk at [cwade@morgantownwv.gov](mailto:cwade@morgantownwv.gov).

The Regular Meeting of the Common Council of the City of Morgantown was held via Webex on Tuesday, September 15, 2020, at 6:34 p.m.

**PRESENT:** Via Webex were Interim City Manager Emily Muzzarelli, City Attorney Ryan Simonton, City Clerk Christine Wade, Mayor Ron Dulaney, Jr., Deputy Mayor Rachel Fetty, and Council Members Bill Kawecki, Zackery Cruze, Jenny Selin, Dave Harshbarger, and Barry Wendell. Zackery Cruze was absent. Zackery Cruze arrived at 6:54.

The meeting was called to order by Mayor Dulaney.

**PUBLIC HEARING: AN ORDINANCE RATIFYING PROPERTY ACQUISITIONS FOR THE CITY'S COMBINED UTILITY BOARD**

Mayor Dulaney declared the Public Hearing open.

There being no appearances, Mayor Dulaney declared the Public Hearing closed.

**UNFINISHED BUSINESS:**

**AN ORDINANCE RATIFYING PROPERTY ACQUISITIONS FOR THE CITY'S COMBINED UTILITY BOARD:**

The below entitled ordinance was presented for second reading.

**AN ORDINANCE RATIFYING PROPERTY ACQUISITIONS FOR THE CITY'S COMBINED UTILITY BOARD**

Interim City Manager Emily Muzzarelli explained. After discussion, motion by Councilor Kawecki, second by Councilor Harshbarger, to approve the above entitled Ordinance. Motion carried 6-0. Councilor Cruze was absent.

**NEW BUSINESS:**

**Bid Award – 8<sup>th</sup> Street Sidewalk Project (TIF)**

Interim City Manager Emily Muzzarelli explained. Council suspended the rules to allow Damien Davis City Engineer to speak and answer any questions. After discussion, motion by Councilor Selin, second by Councilor Kawecki, to approve the above Bid Award to Baiano Construction in the amount of \$350,342.83. Motion carried 6-0. Councilor Cruze was absent.

**Bid Award – White Avenue Slip Repair**

Interim City Manager Emily Muzzarelli explained. Council suspended the rules to allow Damien Davis City Engineer to speak and answer any questions. Motion by Councilor Harshbarger, second by Councilor Selin, to approve the above Bid Award to Rock Forge Bridge, Co., LLC in the amount of \$151,017.00. Motion carried 6-0. Councilor Cruze was absent.

**ADJOURNMENT:** There being no further business, motion by Councilor Kawecki, second by Councilor Wendell, to adjourn the meeting. Time: 6:56 p.m.

# City of Morgantown

## COMMITTEE OF THE WHOLE MEETING September 29, 2020

*To protect public health during the COVID-19 pandemic, personal attendance at the meeting was not permitted. This meeting took place via WebEx at <https://cityofmorgantown.my.webex.com/meet/cityofmorgantown> using the meeting number 793 734 477. The meeting was broadcasted live on Morgantown 15 and live-streamed via the City of Morgantown website at <https://morgantownwv.viebit.com/>. The public could also listen live by calling 408-418-9388 and using the access code 793 734 477.*

*If members of the public wished to comment on a particular issue or public hearing, they should fill out the public comment sign-up form on our website found at: <http://bit.ly/MCC092920>. Additionally, the public could submit written comments via email to the City Clerk at [cwade@morgantownwv.gov](mailto:cwade@morgantownwv.gov).*

The Committee of the Whole Meeting of the Common Council of the City of Morgantown was held by via Webex on Tuesday, September 29, 2020, at 7:05 p.m.

**PRESENT:** Via Webex Interim City Manager Emily Muzzarelli, City Attorney Ryan Simonton, Mayor Ron Dulaney, Jr., Deputy Mayor Rachel Fetty, and Council Members Bill Kawecki, Zackery Cruze, Jenny Selin, Dave Harshbarger, and Barry Wendell.

The meeting was called to order by Deputy Mayor Fetty.

### **PRESENTATIONS:**

#### **1. Ward & Boundary Update Presentation – Sarah Barnes Chair – <https://arcg.is/T1LO1>**

Commission Chair Sarah Barnes presented to council with proposed changes to the boundaries of the city's wards. The proposed ward boundary map included input from the public and would balance the wards, as much as possible, by counts of registered voters and population based on the most recent American Community Survey (ACS) or decennial Census.

#### **2. Healthy Streets Initiative Presentation – Damien Davis City Engineer, and Drew Gatlin Staff Engineer**

City of Morgantown Engineering Department staff presented on the city's Healthy Streets Initiative that aims to create places where citizens can safely recreate while practicing social distancing. Healthy Streets will allow residents to use the low-traffic areas to walk, run, wheelchair roll, roller-skate, or bike. Healthy Streets are achieved by creating soft-closures of select low-traffic streets and maintaining access only for residents, deliveries, and emergency personnel.

### **PUBLIC PORTION:**

Deputy Mayor Fetty opened the public portion and asked if there was anyone wishing to speak.

Dr. Jerry Carr President of the NAACP spoke in support of the Special Committee on Community Policing and Citizen Review Board.

Robert Cohen, member of the NAACP spoke in support of the Special Committee on Community Policing and Citizen Review Board.

Sarabeth Holder spoke in opposition of the Special Committee on Community Policing and Citizen Review

# City of Morgantown

Board.

There being no others wishing to speak, Deputy Mayor Fetty closed the Public Portion.

## **ITEMS FOR DISCUSSION:**

### **1. Ward & Boundary Update**

After discussion, this item was moved to the October 6, 2020, Regular Meeting agenda.

### **2. Healthy Streets Initiative**

After discussion, no action was taken on this item.

### **3. Ordinance amending City Code to establish Parking Violation Fees**

After discussion, this item was moved to the October 6, 2020, Regular Meeting agenda.

### **4. Ordinance amending article 917 entitled “Community Forestry”**

Interim City Manager Emily Muzzarelli explained. Dave Barnett, Chair of the Tree Board, explained that the Community Forest Ordinance is designed to set professional standards for planting and maintaining trees throughout the city. It is meant to help preserve endangered species and increase urban canopy in the city. The ordinance would also decrease the number of tree board members by one. After discussion, this item was moved to the October 6, 2020, Regular Meeting agenda.

### **5. CARES Act Funding and Budget Revision**

Interim City Manager provided an update on CARES Act Funding and the City’s Budget. The city has received \$6,912,0263.93 in CARES Act funding which has been used to supplement revenue shortfalls brought on by the pandemic and to build up a contingency fund to help guard against future shortfalls. The City Manager also proposed potential budget revisions which would allow city departments to make specific, much needed purchases which were delayed due to COVID-19. After discussion, this item was moved to the October 20, 2020, Regular Meeting agenda.

**EXECUTIVE SESSION:** Pursuant to West Virginia State Code Section 6-9A-4(b) (9) to discuss acquisition or development of Real Estate in the Fifth Ward. Motion by Mayor Dulaney, second by Councilor Selin, to go into executive session. Motion carried by acclamation. Present: Interim City Manager, City Attorney, and City Council. Time: 9:34 p.m.

## **ADJOURNMENT:**

There being no further business, motion by Mayor Dulaney, second by Councilor Selin, to adjourn the meeting. Time: 10:33 p.m.

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City Clerk

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Mayor



Office of the Mayor

## The City of Morgantown

389 Spruce Street

Morgantown, West Virginia 26505

(304) 284-7439

### PROCLAMATION

- Whereas,** the crime of domestic violence violates an individual's privacy and dignity, security and humanity, due to systemic use of physical, emotional, sexual, psychological and economic control and/or abuse including abuse to children and the elderly, and
- Whereas,** domestic violence against the citizens of Monongalia County continues to affect every person in Monongalia County as a victim, survivor, or as a family member, domestic partner, friend, co-worker, or neighbor of a victim or survivor; and
- Whereas,** the problems of domestic violence are not confined to any group or groups of people, but cut across all economic, racial, gender and societal barriers, and are supported by societal indifferences, and
- Whereas,** to prevent the future abuse of our citizens, it is critical to foster greater public awareness of the causes and effects of domestic violence, and to address this problem on every civic level; and
- Whereas,** the staff of Rape and Domestic Violence Information Center alongside volunteers promote domestic violence prevention by offering educational services in Monongalia County throughout the year; and
- Whereas,** the Rape and Domestic Violence Information Center requests public support and assistance as it continues to work toward a society where all people can live in peace, free from violence and exploitation.

**Now Therefore, I, Ron Dulaney, Jr.,** Mayor of the City of Morgantown, West Virginia, in recognition of the important work done by the Rape and Domestic Violence Information Center serving Monongalia, Preston, and Taylor Counties as well as all other domestic violence programs, the City of Morgantown does hereby proclaim the month of October to be

## NATIONAL DOMESTIC VIOLENCE AWARENESS MONTH

in the City of Morgantown, West Virginia, and urge all citizens to actively participate in the scheduled activities and programs to work towards improving victim safety and holding perpetrators of domestic abuse accountable for their actions against individual victims and society as a whole. We commend this observance to all citizens.

Seal:



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Ron Dulaney, Jr., Mayor



Office of the Mayor

## The City of Morgantown

389 Spruce Street  
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(304) 284-7439 Fax: (304) 284-7525  
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### Proclamation

- Whereas,** Governor Justice has proclaimed October 12-16, 2020, as Municipal Government Week in West Virginia and encourages all citizens to become more informed about their government; and
- Whereas,** all incorporated cities, towns and villages in West Virginia provide services to their citizens; and
- Whereas,** citizens of cities, towns and villages may not be totally aware of those services and who is responsible for seeing they are efficiently provided; and
- Whereas,** municipal officials desire to inform their citizens and to make them more aware of the investment made on their behalf; and
- Whereas,** municipal officials are planning various events to better inform citizens during Municipal Government Week; and
- Whereas,** one of the highest priorities is to educate in the Mountain State as to what Municipal government is and the positive impact it has on their lives; and
- Whereas,** the West Virginia Municipal League will assist in educating citizens and installing positive perception of government, particularly at the municipal level.

**Now Therefore, I,** Ron Dulaney, Jr., Mayor of the City of Morgantown, West Virginia, do hereby proclaim the week of October 12-16, 2020, as:

### Municipal Government Week

Seal:



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Ron Dulaney, Jr., Mayor

**AN ORDINANCE PROVIDING FOR AN ELECTION TO CONSIDER AMENDMENT OF THE CITY CHARTER ESTABLISHING THE COMPOSITION, ELIGIBILITY, ELECTION, AND TERMS OF CITY COUNCIL MEMBERS AND FOR THEIR NOMINATION AND ELECTION**

WHEREAS, City Council finds and determines that the qualified voters of the City should determine whether to amend the City Charter as it relates to the terms of its members, providing for staggered four-year terms to promote continuity and experience in the governing body; and

WHEREAS, the voters are authorized to consider such amendment of the Charter at an election conducted by the City pursuant to Articles 4 and 5 of Chapter 8 of the West Virginia Code;

NOW, THEREFORE, The City of Morgantown hereby ordains

(1) that the proposal will be placed on the ballot at the regular election of the members of City Council on Tuesday, April 27, 2021, or such other date on which the regular election of 2021 is conducted, at which the qualified voters of the City will consider whether to amend the City Charter as provided herein; and

(2) That the form of ballot for such election shall be as follows:

**AMENDING THE MORGANTOWN CITY CHARTER TO ESTABLISH STAGGERED FOUR-YEAR TERMS FOR COUNCIL MEMBERS**

- ( ) Yes. The Charter should be amended as set forth below (new matter underlined, deleted material stricken).
- ( ) No. The Charter should not be amended.

**Article II  
CITY COUNCIL**

**SECTION 2.01. COMPOSITION, ELIGIBILITY, ELECTION AND TERMS.**

(c) Election and Terms. The regular election of Councilmembers shall be held on the last Tuesday in April, in each odd-numbered year, beginning with the first odd-numbered year following the effective date of this Charter in the manner provided in Article VII. The

candidate in each ward who receives the greatest number of votes cast by the qualified voters of the City at large, shall be declared elected. At the regular election conducted April 27, 2021, or such other date on which the regular 2021 election of Councilmembers is conducted, the candidate elected from each even-numbered ward shall serve a four-year term, and the candidate selected from each odd-numbered ward shall serve a two-year term, beginning on July first following the election. At each election thereafter, ~~E~~ each Councilmember shall serve for a term of ~~two~~ four years, beginning on July first following ~~his~~ the election.

**SECTION 2.06. VACANCIES; FORFEITURE OF OFFICE; FILLING OF VACANCIES.**

(c) Filling of Vacancies.

(1) The filling of any vacancy in office of a Councilmember as defined under Article II shall take into account the ward wherein the member whose office has been vacated resided at the time of his election, and ~~his~~ the successor shall reside in such ward. Removal of residence from the ward shall vacate the office of the Councilmember residing in such ward at the time of ~~his~~ election, except as provided otherwise in Section 7.05(g) of this Charter.

**Article VII  
NOMINATIONS AND ELECTIONS**

**SECTION 7.04. DETERMINATION OF ELECTION RESULTS.**

(a) Number of Votes. Every voter shall be entitled to cast one vote for one candidate nominated from each ward electing a representative in the election. ~~of the seven wards in the City.~~

**SECTION 7.05. WARDS, ADJUSTMENT OF WARD BOUNDARIES.**

(b) Ward Boundary Commission. The Council shall appoint seven qualified voters, one from each of the seven wards of the City as they exist at the time of such appointment, who shall comprise a Ward Boundary Commission. The voters chosen shall not be employed by the City in any other capacity. The appointment shall be made not later than the last day of July in the year preceding each regular election ~~30 days after the commencement of each Council's term of office.~~

(c) Report. On or before October 31st of each ~~even-numbered~~ year preceding a regular election, the Commission shall file with the City Clerk a report containing a recommended plan and a map for adjustment of ward boundaries, or recommending that no adjustment be made, all in accordance with the specifications set forth in subsection (d).

(g) Effect of Enactment. The new ward boundaries as of the date of the enactment of an ordinance providing therefor shall supersede previous ward boundaries for all the purposes of the

next regular City election including nomination, unless such ordinance is enacted after December 31 of the year preceding the election. The new ward boundaries shall supersede previous ward boundaries for all purposes as of the date of which all Councilmembers elected at that regular City election take office; provided, that a Councilmember who becomes a nonresident of the ward from which the Councilmember was elected solely by reason of a change in the ward boundaries may continue to serve the remainder of the Councilmember's term.

(h) Terms of Members of the Commission. The terms of office of the members of the Commission shall expire on the last day of June of the year of each regular election ~~at the same time as the expiration of the terms of the Council which appointed them.~~ A new Commission shall thereafter be appointed as provided by subsection (b).

This ordinance shall become effective upon adoption. If approved by the voters, the amendments to the Charter set forth above shall become effective immediately upon the certification of the election results or upon the completion of any other precondition established by applicable law.

FIRST READING:

\_\_\_\_\_  
Mayor

ADOPTED:

FILED:

\_\_\_\_\_  
City Clerk

RECORDED:

**AN ORDINANCE TO APPROVE CURRENT REPLACEMENT PAGES TO THE CITY CODE**

WHEREAS, Various ordinances of a general and permanent nature have been passed by Council which should be included in the City Code;

WHEREAS, the City has heretofore entered into a contract with Municode to prepare and publish such revision which is before Council; now, therefore,

**THE CITY OF MORGANTOWN HEREBY ORDAINS:**

Section 1. That the ordinances of the City of Morgantown, West Virginia, of a general and permanent nature, as revised, recodified, rearranged and consolidated into component codes, chapters, articles and sections within the 2020 Replacement Pages to the City Code are hereby approved and adopted.

Section 2. That this Ordinance shall be effective from the date of its adoption.

FIRST READING:

ADOPTED:

FILED:

RECORDED:

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

The City of Morgantown

Combined Utility System Refunding Revenue Bonds, Series 2020 A

**SUPPLEMENTAL PARAMETERS RESOLUTION**

SUPPLEMENTAL RESOLUTION PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE COMBINED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020 A OF THE CITY OF MORGANTOWN; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE ORIGINAL PURCHASER; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT, A TAX CERTIFICATE, A TAX COMPLIANCE POLICY, AND OTHER INSTRUMENTS RELATING TO THE BONDS; AUTHORIZING THE PURCHASE OF A MUNICIPAL BOND INSURANCE POLICY AND MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND AMENDMENT AND/OR MODIFICATION OF THE ORDINANCE TO COMPLY THEREWITH; APPOINTING A REGISTRAR, PAYING AGENT AND DISSEMINATION AGENT FOR SUCH BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

**WHEREAS**, The City of Morgantown (the “Issuer”) in the County of Monongalia, State of West Virginia, is a municipal corporation and political subdivision of said State, the governing body of which is its Council (the “Governing Body”);

**WHEREAS**, the Governing Body has duly and officially enacted on September 1, 2020, an Ordinance (the “Series 2020 A Ordinance”) entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE CITY OF MORGANTOWN’S OUTSTANDING COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020 A (TAX EXEMPT); PROVIDING FOR

THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, A TAX CERTIFICATE, AN ESCROW AGREEMENT, A TAX COMPLIANCE POLICY AND OTHER DOCUMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

**WHEREAS**, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Series 2020 A Ordinance when used herein;

**WHEREAS**, the Series 2020 A Ordinance provided for the issuance by the Issuer of its Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax-Exempt) in an aggregate principal amount not to exceed \$40,000,000, in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the “Act”) for the purposes of refunding the Issuer’s Series 2010 A Bonds, as defined in the Series 2020 A Ordinance;

**WHEREAS**, the Series 2020 A Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2020 A Bonds should be established by Supplemental Resolution, that a Registrar, Paying Agent and Dissemination Agent be designated, that a Bond Purchase Agreement, a Registrar Agreement, a Tax Certificate and an Official Statement be approved and that other matters pertaining to the Bonds be provided for by a Supplemental Resolution of the Governing Body, that additional covenants and provisions relating to the Series 2020 A Bonds be provided for therein, and as may be required by any Bond Insurer as a condition to insuring such Series 2020 A Bonds and/or providing a Municipal Bond Debt Service Reserve Insurance Policy for such Series 2020 A Bonds and that other matters pertaining to the Series 2020 A Bonds be provided for by a Supplemental Resolution of this Governing Body;

**WHEREAS**, the Series 2020 A Bonds are proposed to be purchased by Crews & Associates, Inc. (the “Original Purchaser”), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the “Bond Purchase Agreement”);

**WHEREAS**, the Governing Body has determined that, in order to obtain the best possible terms for the Series 2020 A Bonds, the Mayor and City Manager shall be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth herein, at such time as the Mayor and City Manager shall determine most advantageous to the Issuer, or not at all, and the Mayor and City Manager shall be authorized to acquire a Municipal Bond Insurance Policy and/or Municipal Bond Debt Service Reserve Insurance Policy if either, or both, is determined by the Mayor and City Manager to be financially advantageous to the Issuer; and

**WHEREAS**, the Governing Body deems it essential and desirable that this supplemental parameters resolution (the “Series 2020 A Supplemental Parameters Resolution”)

be adopted, that the Bond Purchase Agreement, the Tax Certificate, and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 2020 A Bonds, hereinafter described, be approved, that the Mayor and City Manager be authorized to enter into the Bond Purchase Agreement within the parameters hereby approved by the Governing Body, and that other matters relating to the Series 2020 A Bonds be herein provided for all in accordance with the Series 2020 A Ordinance;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF MORGANTOWN:**

SECTION 1. Pursuant to the Series 2020 A Ordinance and the Act, this Series 2020 A Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2020 A Bonds. The Series 2020 A Bonds shall be issued in the aggregate principal amount not to exceed \$40,000,000, bear interest at a rate not to exceed 8.0% per annum, payable semiannually, shall mature no later than thirty (30) years from their date of issuance, and shall be subject to such redemption provisions, all as shall subsequently be approved by the Mayor and City Manager pursuant to the execution and delivery by the Mayor and City Manager of a Certificate of Determinations with respect to the Series 2020 A Bonds, dated the date of the Bond Purchase Agreement, the form of which is attached hereto as **EXHIBIT A** and approved hereby (the “Series 2020 A Certificate of Determinations”). The Series 2020 A Bonds shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2020 A Bonds shall be as determined by the Mayor and City Manager at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor and City Manager in the Certificate of Determinations.

SECTION 2. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor and City Manager thereof shall be and the same are hereby authorized, approved, and directed. The Mayor and City Manager shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor and City Manager. The execution of the Bond Purchase Agreement by the Mayor and City Manager shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2020 A Bonds, including the payment of all necessary fees and expenses in connection therewith.

SECTION 3. Proceeds of the Bonds shall be expended solely for the purposes set forth in the Series 2020 A Ordinance.

SECTION 4. A. The Tax Certificate, to be dated the date of execution and delivery of the Bonds (the “Tax Certificate”), and executed and delivered by the Issuer, in the form to be approved by the Mayor and City Manager, and the execution and delivery (in multiple counterparts) by the Mayor and City Manager thereof, shall be and the same are hereby authorized, approved and directed. The execution of the Tax Certificate by the Mayor and City Manager shall be conclusive evidence of any approval required by this Section.

B. The Issuer hereby approves the Tax Compliance Policy attached hereto as **EXHIBIT B**.

SECTION 5. The Issuer hereby approves the execution and delivery by the Board of the Continuing Disclosure Agreement, to be dated the date of execution and delivery of the Series 2020 A Bonds (the “Disclosure Agreement”), by and between the Board and Digital Assurance Certification, LLC, the form of which is attached to the hereinafter described Preliminary Official Statement which has been presented at this meeting for approval.

SECTION 6. The distribution by the Original Purchaser of a Preliminary Official Statement (which is a “deemed final” official statement in accordance with SEC Rule 15c2-12), substantially in the form submitted to this meeting, is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor and City Manager is hereby approved. The Official Statement to be substantially in the form of the Preliminary Official Statement (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor and City Manager) and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor and City Manager shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor and City Manager shall be conclusive evidence of any approval required by this Section.

SECTION 7. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form to be approved by the Mayor and City Manager, and the execution and delivery (in multiple counterparts) by the Mayor and City Manager thereof, shall be and the same are hereby authorized, approved and directed. The execution of the Registrar Agreement by the Mayor and City Manager shall be conclusive evidence of any approval required by this Section.

SECTION 8. The firm of Steptoe & Johnson PLLC, Bridgeport, West Virginia, is hereby appointed bond counsel and disclosure counsel to the Issuer in connection with the issuance of the Series 2020 A Bonds.

SECTION 9. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2020 A Bonds.

SECTION 10. The Issuer hereby appoints and designates Digital Assurance Certification, LLC, as dissemination agent for the Series 2020 A Bonds.

SECTION 11. The Issuer hereby appoints and designates United Bank, Charleston, West Virginia, as the Registrar for the Series 2020 A Bonds.

SECTION 12. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by Build America Mutual Assurance Company (“BAM”) to secure the payment of principal of, and interest on, the Series 2020 A Bonds will result in an interest cost

savings for the Issuer in excess of the premium to be paid by the Issuer for such Insurance Policy, and accordingly accepts the Municipal Bond Insurance Commitment (the “Series 2020 A Insurance Commitment”) dated September 23, 2020. The Mayor and City Manager are hereby authorized to execute the Insurance Commitment and deliver the same to BAM. Pursuant to the Series 2020 A Insurance Commitment, and as permitted by Section 6.18 of the Series 2020 A Ordinance, the covenants and provisions which are required by BAM as a condition precedent to issuance of its Municipal Bond Insurance Policy for the Series 2020 A Bonds are attached hereto as **EXHIBIT C** and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Series 2020 A Ordinance and applicable to the Series 2020 A Bonds.

SECTION 13. The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by BAM to fund the Series 2020 A Bonds Reserve Account will result in a cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Insurance Commitment (the “Series 2020 A Reserve Commitment”) dated September 23, 2020. The Mayor and City Manager are hereby authorized to execute the Reserve Commitment and deliver the same to BAM. Pursuant to the Series 2020 A Reserve Commitment, and as permitted by Section 6.19 of the Series 2020 A Ordinance, the covenants and provisions which are required by BAM as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2020 A Bonds Reserve Account are attached hereto as **EXHIBIT D** and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Series 2020 A Ordinance and applicable to the Series 2020 A Bonds.

SECTION 14. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Series 2020 A Bonds, to the end that the Series 2020 A Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

SECTION 15. The notice addresses for the Paying Agent, Registrar and Dissemination Agent shall be as follows:

PAYING AGENT

West Virginia Municipal Bond Commission  
900 Pennsylvania Avenue, Suite 1117  
Charleston, West Virginia 25301  
Attention: Executive Director

REGISTRAR

United Bank  
500 Virginia Street, East  
Charleston, West Virginia 25301  
ATTN: Corporate Trust Department

DISSEMINATION AGENT  
Digital Assurance Certification, LLC  
390 North Orange Avenue  
Suite 1750  
Orlando, Florida 32801-1674

SECTION 16. The refunding of the Series 2010 A Bonds with the Proceeds of the Series 2020 A Bonds and issuance of the Series 2020 A Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer and other customers of the Combined Utility System.

SECTION 17. The Issuer hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2020 A Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2020 A Bonds to be an “arbitrage bond” as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Mayor and City Manager of the Issuer are authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the Issuer's compliance with this covenant.

SECTION 18. The Mayor, City Manager and City Clerk, and all other appropriate officers and employees of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2020 A Bonds to be duly and properly issued by the Issuer and delivered to the Original Purchaser as herein authorized and to otherwise facilitate the transaction contemplated by this Series 2020 A Supplemental Parameters Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Blank]

SECTION 19. This Series 2020 A Supplemental Parameters Resolution shall be effective immediately following adoption hereof.

Adopted this 6th day of October, 2020.

THE CITY OF MORGANTOWN

[SEAL]

By: \_\_\_\_\_  
Its Mayor

By: \_\_\_\_\_  
Its City Manager

Attest:

\_\_\_\_\_  
City Clerk

CERTIFICATION

Certified a true copy of a Series 2020 A Supplemental Parameters Resolution duly adopted by the Council of THE CITY OF MORGANTOWN on October 6, 2020, which Series 2020 A Supplemental Parameters Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

By: \_\_\_\_\_  
City Clerk

**EXHIBIT A – SERIES 2020 A SUPPLEMENTAL PARAMETERS RESOLUTION**

**FORM OF CERTIFICATE OF DETERMINATIONS**

The City of Morgantown  
Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt)

**CERTIFICATE OF DETERMINATIONS**

The undersigned, Ron Dulaney, Jr., Mayor, and \_\_\_\_\_, City Manager of The City of Morgantown (the “Issuer”), in accordance with the Series 2020 A Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on October 6, 2020 (the “Series 2020 A Supplemental Parameters Resolution”), with respect to the Issuer’s Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt) (the “Series 2020 A Bonds”), hereby find and determine this \_\_\_\_ day of \_\_\_\_\_, 2020, as follows:

1. The Series 2020 A Bonds shall be dated \_\_\_\_\_, 2020 shall bear interest on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year commencing \_\_\_\_\_, 2020.
2. The Series 2020 A Bonds shall be issued in the aggregate principal amount of \$\_\_\_\_\_. The interest rates on the Series 2020 A Bonds do not exceed 8.0%, being the maximum interest rate authorized by the Series 2020 A Ordinance.
3. The Series 2020 A Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on **Schedule 1** attached hereto and incorporated herein.
4. The Series 2020 A Bonds shall bear interest at the rates and produce the yields set forth on **Schedule 1** attached hereto and incorporated herein.
5. The Series 2020 A Bonds shall [not] be subject to [optional and/or mandatory] redemption [as set forth on **Schedule 2** attached hereto and incorporated herein.]
6. The Series 2020 A Bonds shall be sold to Crews & Associates, Inc. (the “Underwriter”), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of \$\_\_\_\_\_ (representing par value less an Underwriter’s discount of \$\_\_\_\_\_ and [less/plus] a net original issue [discount/premium] of \$\_\_\_\_\_).

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2020 A Bonds are within the parameters prescribed by the Series 2020 A Supplemental

Parameters Resolution, and the Series 2020 A Bonds may be issued with such terms and conditions as authorized by the Series 2020 A Supplemental Parameters Resolution.

WITNESS our signatures the day and year first written above.

THE CITY OF MORGANTOWN

By: \_\_\_\_\_  
Its Mayor

By: \_\_\_\_\_  
Its City Manager

**SCHEDULE 1 – CERTIFICATE OF DETERMINATIONS**

**SERIES 2020 A BOND TERMS**

| <u>Bond No.</u> | <u>Maturity Date</u><br>(_ 1) | <u>Principal</u><br><u>Amount</u> | <u>Interest Rate</u> | <u>Price or Yield</u> |
|-----------------|-------------------------------|-----------------------------------|----------------------|-----------------------|
|-----------------|-------------------------------|-----------------------------------|----------------------|-----------------------|

**SCHEDULE 2 – CERTIFICATE OF DETERMINATIONS**

**REDEMPTION PROVISIONS:**

**SERIES 2020 A BONDS**

[to be inserted after pricing]

## **EXHIBIT B – SERIES 2020 A SUPPLEMENTAL PARAMETERS RESOLUTION**

### **TAX COMPLIANCE POLICY**

#### **THE CITY OF MORGANTOWN (WEST VIRGINIA)**

##### **Purpose**

Governmental issuers of tax-exempt and tax-credit bonds must comply with certain federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by The City of Morgantown, West Virginia (the “*Issuer*”), as the issuer, with these rules in connection with the issuance of the Issuer’s Combined Utility System Refunding Revenue Bonds, Series 2020 A (the “*Bonds*”). It is understood and agreed by the Issuer, and the Issuer has covenanted to take all actions necessary to maintain the Bonds as tax-exempt state and local bonds.

##### **Tax Requirements Associated with Sale and Issuance of Bonds**

Review and retention of tax documents related to the sale and issuance of Bonds will be supervised by the City Manager or his or her designee (the “*Oversight Officer*”).

- Form 8038-G (tax exempt bonds) will be reviewed and filed not later than the 15<sup>th</sup> day of the 2<sup>nd</sup> calendar month following the quarter in which the bonds were issued. Filing of appropriate version or versions of Form 8038-G will be confirmed with bond counsel.

##### **Expenditure of Proceeds for Governmental Costs**

Expenditure of bond proceeds will be reviewed by the Oversight Officer.

- Bond proceeds will be disbursed pursuant to the Bond Ordinance, and will be a written order of an Authorized Officer, stating the date, amount and purpose of the disbursement.
- Requisitions must identify the financed property in conformity with the Tax and Non-Arbitrage Certificate executed by the Issuer at closing, including any certifications as to the character and average economic life of the bond-financed property.
- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a “declaration of intent” to reimburse the costs was adopted by the Issuer. If

proceeds are used for reimbursement, a copy of the declaration will be obtained and included in the records for the Bonds, if not already part of the bond transcript.

- Requisitions will be in accordance with expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Bonds.
- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

15% within 6 months  
60% within 12 months  
100% within 18 months

- If the 2-year spending exception to rebate applies, expenditure of “available construction proceeds” will be monitored against the following schedule for the arbitrage rebate exception for construction issues if applicable:

10% within 6 months  
45% within 12 months  
75% within 18 months  
100% within 24 months

### **Expenditure of Proceeds**

In addition to the general review of expenditures described above, expenditure of proceeds of the Bonds will be reviewed by the Oversight Officer.

- Reserve funds cannot exceed the least of 10% of bond proceeds, maximum annual debt service, or 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.
- Investment earnings on sale proceeds of the Bonds will be tracked and will be requisitioned only for appropriate expenditures.

### **Use of Bond-Financed Property**

Use of bond-financed property when completed and placed in service will be reviewed by the Oversight Officer.

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.
- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property subject to the Bond Ordinance is bond-financed.
- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit, as set forth in the Tax Certificate.
- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a “remedial action” under the applicable Income Tax Regulations.

### **Investments and IRS Filings**

Investment of bond proceeds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Oversight Officer.

- Guaranteed investment contracts (“GIC”) will be purchased only using the three-bid “safe harbor” of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.
- Other investments will be purchased only in market transactions.
- Calculations of rebate liability will be performed annually by outside consultants.
- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.
- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

### **Records**

Management and retention of records related to tax-exempt bond issues will be supervised by the Oversight Officer.

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of

documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, Bond Ordinance, Form 8038-G, and Tax Certificate) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.
- Retainable records pertaining to expenditures of bond proceeds include requisitions, accounting statements and final allocation of proceeds.
- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use and any reviewed documents relating to unrelated business activity.
- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

### **Amendment**

This Tax Compliance Policy may be amended and/or modified by the Mayor and City Manager as required from time to time to ensure ongoing compliance by the Issuer with requirements related to tax-exempt bonds, such as the Bonds. Such amendments and/or modifications shall not require any action by City Council.

### **Overall Responsibility**

Overall administration and coordination of this policy is the responsibility of the Oversight Officer.

## **THE CITY OF MORGANTOWN, WEST VIRGINIA**

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By: Mayor

Date:

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By: City Manager

Date:

**EXHIBIT C – SERIES 2020 A SUPPLEMENTAL PARAMETERS RESOLUTION**

PROVISIONS RELATING TO MUNICIPAL BOND INSURANCE

**Municipal Bond Insurance Commitment**

[insert]

**EXHIBIT D – SERIES 2020 A SUPPLEMENTAL PARAMETERS RESOLUTION**

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE  
INSURANCE POLICY

**Municipal Bond Debt Service Reserve Insurance Commitment**

[insert]

\$ \_\_\_\_\_  
**THE CITY OF MORGANTOWN (WEST VIRGINIA)  
COMBINED UTILITY SYSTEM  
REFUNDING REVENUE BONDS, SERIES 2020 A (TAX EXEMPT)**

BOND PURCHASE AGREEMENT

\_\_\_\_\_, 2020

City of Morgantown  
389 Spruce Street  
Morgantown, WV 26505

Ladies and Gentlemen:

Crews & Associates, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with the City of Morgantown, West Virginia (the “City”), for the purchase of the City’s Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt) (the “Series 2020 A Bonds”). This offer is made subject to acceptance and execution of this Purchase Agreement by the City prior to 6:00 p.m., local prevailing time on the date hereof, or until withdrawn by the Underwriter upon written notice to the City as permitted herein, whichever shall occur earlier. Upon such acceptance and approval, as evidenced by the signature of the Mayor and City Manager of the City in the spaces provided below, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the City and the Underwriter. All capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings set forth in the hereinafter described Ordinance and the Preliminary Official Statement of the City dated \_\_\_\_\_, 2020 (the “Preliminary Official Statement”).

The City acknowledges and agrees that (i) the purchase and sale of the Series 2020 A Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the City and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided, or is currently providing, other services to the City on other matters), (iv) the Underwriter has no obligation to the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement, and (v) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

1. The proceeds of the Series 2020 A Bonds shall be used to: (i) refund the City’s Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America

Bonds), dated January 28, 2010, issued in the original aggregate principal amount of \$37,950,000 (the "Series 2010 A Bonds"); (ii) fund the Series 2020 A Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2020 A Reserve Policy") from \_\_\_\_\_ (the "Bond Insurer"); (vi) pay the premium for a municipal bond insurance policy (the "Series 2020 A Insurance Policy") from the Bond Insurer to secure the payment of the principal of, and interest on, the Series 2020 A Bonds; and (vii) pay Costs of Issuance of the Series 2020 A Bonds and related costs.

The Series 2020 A Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of, the ordinance enacted by the City Council of the City on \_\_\_\_\_, 2020 (the "Original Ordinance"), as supplemented and amended by a Supplemental Parameters Resolution adopted by the City Council of the City on \_\_\_\_\_, 2020 (the "Supplemental Parameters Resolution"), and a Certificate of Determinations, signed by the Mayor and City Manager of the City, on \_\_\_\_\_, 2020 (the "Certificate of Determinations" and, collectively with the Original Ordinance and the Supplemental Parameters Resolution, the "Ordinance"). The Series 2020 A Bonds shall be secured by the Gross Revenues derived by the City from the operation of the Combined Utility System and the monies on deposit in the Series 2020 A Bonds Sinking Fund and, with respect to the Series 2020 A Bonds Reserve Account therein, the Series 2020 A Reserve Policy pledged thereto, on parity with the Prior Bonds.

Upon the terms and conditions and upon the basis of the representations and warranties set forth in this Purchase Agreement, the Underwriter agrees to purchase from the City, and the City agrees to sell to the Underwriter, the Series 2020 A Bonds, at an aggregate purchase price of \$\_\_\_\_\_ (par minus Underwriter's discount of \$\_\_\_\_\_ [plus/minus] a [net] original issue [premium/discount] of \$\_\_\_\_\_).

The Series 2020 A Bonds shall mature on the dates and in the amounts, and shall bear interest from their date until maturity or until the date fixed for redemption if the Series 2020 A Bonds are called for prior redemption and payment on such date provided therefore, payable semiannually on June 1 and December 1 (each an "Interest Payment Date"), commencing December 1, 2020, as more fully described on Exhibit A attached hereto and incorporated herein by reference.

The Underwriter agrees to make a bona fide public offering of the Series 2020 A Bonds at the initial offering prices as set forth in the Official Statement (as hereinafter defined) and in Exhibit A, which prices may be changed from time to time by the Underwriter.

2. Concurrently with the acceptance of this Purchase Agreement by the City, the City shall deliver or cause to be delivered to the Underwriter three copies of the Official Statement relating to the Series 2020 A Bonds, substantially in the form of the Preliminary Official Statement, and prior to delivery of the Series 2020 A Bonds, a copy of the Official Statement (the "Official Statement") dated the date of this Purchase Agreement, signed on behalf of the City by its Mayor and City Manager, and the Board (as defined herein) by its Chairman.

3. The Official Statement has been approved for distribution by the Ordinance. The City authorizes the use of copies of the Official Statement and the Ordinance in connection with the public offering and sale of the Series 2020 A Bonds.

On \_\_\_\_\_, 2020, the City delivered to the Underwriter the Preliminary Official Statement and the Underwriter received a certificate from the City which deemed the Preliminary Official Statement “final” within the meaning of clause (b)(1) of Rule 15c2-12 (“Rule 15c2-12”) under the Securities and Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) and Rule G-32 and all other rules of the Municipal Securities Rulemaking Board. The City shall deliver or cause to be delivered to the Underwriter, after the acceptance by the City of this Purchase Agreement, and within the time required by Rule 15c2-12, an adequate number of copies of the Official Statement.

Unless otherwise notified in writing by the Underwriter on or prior to the date of Closing, the “End of the Underwriting Period” for the Series 2020 A Bonds for all purposes of Rule 15c2-12 is the date of the Closing, as hereinafter defined. In the event such notice is given in writing by the Underwriter, the Underwriter agrees to notify the City in writing following the occurrence of the End of the Underwriting Period for the Series 2020 A Bonds as defined in Rule 15c2-12.

The City covenants and agrees that if, after the date of this Purchase Agreement and until after the End of the Underwriting Period (as determined above), any event shall occur of which the City has actual knowledge as a result of which it is necessary to amend or supplement the Official Statement to make the Official Statement not misleading in any material respect in light of the circumstances then existing, or if it is necessary to amend or supplement the Official Statement to comply with law, to notify the Underwriter (and for the purposes hereof to provide the Underwriter with such information as it may from time to time reasonably request), and to cooperate in the preparation of a reasonable number of copies of either amendments or supplements to the Official Statement (in form and substance satisfactory to the Underwriter and its counsel) at the expense of the City so that the Official Statement as so amended and supplemented will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading in any material respect.

For the purposes of this paragraph and for only so long as required by this paragraph, the City will furnish such information with respect to itself as the Underwriter from time to time reasonably requests. The Underwriter hereby agrees that it will deposit or cause to be deposited with the Municipal Securities Rulemaking Board a copy of the Official Statement at or prior to the time contemplated by Rule 15c2-12.

The Underwriter acknowledges and agrees that any liability of the City that may arise from its representations and agreements made in this paragraph 3 shall be limited to the proceeds of the Series 2020 A Bonds (provided that the foregoing shall not be deemed to prevent the Underwriter or the City from seeking to enforce such agreements).

4. At 10:00 a.m. prevailing time, on \_\_\_\_\_, 2020, or such other date as shall be agreed upon by the parties to this Purchase Agreement (the “Closing”), the City will deliver or cause to be delivered to the Underwriter, (a) the Series 2020 A Bonds in the form of one certificate for each maturity fully registered in the name of CEDE & CO., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”), duly executed by the City and authenticated by the Registrar, and (b) at such other place as the parties to this Purchase Agreement mutually agree upon, will deliver to the Underwriter the other documents required in this Purchase Agreement and by the Ordinance. Upon such delivery of the Series 2020 A Bonds, the Underwriter will accept such delivery and pay the purchase price therefor, plus any accrued interest thereon, in immediately available funds to the order of the Depository Bank, for the account of the City. Such delivery shall be made at DTC, with the payment and other requisite actions to be taken at the place designated by the parties to this Purchase Agreement. The Series 2020 A Bonds shall be made available to the Underwriter at DTC at least forty-eight (48) hours before the Closing for the purpose of inspection and packaging; provided, that if DTC Fast delivery is used, then the Series 2020 A Bonds shall be made available to the Registrar by 4:00 p.m. on \_\_\_\_\_, 2020. If the City does not have a Blanket DTC Letter of Representation (the “DTC Letter of Representations”), the City agrees to provide one to DTC.

5. The City represents and warrants to the Underwriter and agrees that:

(a) The City is a political subdivision and municipal corporation of the State of West Virginia in Monongalia County of said State. The City is duly authorized to operate and maintain the Combined Utility System through the Morgantown Utility Board (the “Board”) and establish rates for the Combined Utility System. The Series 2020 A Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the “State”), specifically, Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the “Act”). Pursuant to the Act, the City has created the Board to operate and manage the Combined Utility System;

(b) The City shall have complied and will comply at the Closing in all respects with all applicable statutes and laws, including the Act;

(c) The City has full legal right, power and authority to issue bonds for the purposes provided in the Ordinance and to enter into this Purchase Agreement, to enact the Ordinance and to issue, sell and deliver the Series 2020 A Bonds to the Underwriter as provided herein and to carry out and consummate all other transactions contemplated by each of the aforesaid documents;

(d) The information contained in the Preliminary Official Statement and in the Official Statement is and, as of the Closing Date (as hereinafter defined), will be, to the best knowledge of the City, true and to the best knowledge of the City does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(e) At the time of the City’s acceptance hereof and (unless an event occurs of the nature described in this paragraph 5, subparagraph (i) hereof) at all times during the period

from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2020 A Bonds (as determined in accordance with paragraph 5, subparagraph (i) hereof), to the best knowledge of the City, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(f) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to this subparagraph) at all times during the period from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2020 A Bonds (as determined in accordance with paragraph 5, subparagraph (i) hereof), the Official Statement as so supplemented or amended, to the best knowledge of the City, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(g) If during the period from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2020 A Bonds (as determined in accordance with paragraph 5, subparagraph (i) hereof) any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter of any such event of which it has knowledge and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will prepare and furnish to the Underwriter (i) a reasonable number of copies of the supplement or amendment to the Official Statement in form and substance approved by the City and acceptable to the Underwriter, and (ii) if such notification shall be subsequent to the Closing, such legal opinion, certification, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement;

(h) Prior to the City's acceptance hereof, the City delivered to the Underwriter copies of the Preliminary Official Statement which the City deemed final (for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934) as of the date thereof; provided, however, that in making the representation and warranty contained in this paragraph (h) the City shall not be deemed to have made any additional representation or warranty as to the Preliminary Official Statement other than the representation and warranty contained in paragraph (e);

(i) For purposes of this Purchase Agreement, the End of the Underwriting Period for the Series 2020 A Bonds shall mean the earlier of (1) the day of the Closing unless the City has been notified in writing by the Underwriter, on or prior to the day of the Closing, that the End of the Underwriting Period for the Series 2020 A Bonds for all purposes of Rule 15c2-12 will not occur on the day of the Closing, or (2) the date on which notice is given to the City by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the City pursuant to clause (1) above that the End of the Underwriting Period for

the Series 2020 A Bonds will not occur on the day of the Closing, the Underwriter agrees to notify the City in writing as soon as practicable following the “End of the Underwriting Period” for the Series 2020 A Bonds for all purposes of the Rule;

(j) At or prior to the Closing, the Board shall have duly authorized, executed and delivered a written continuing disclosure undertaking (an “Undertaking”) which complies with the provisions of Rule 15c2-12(b)(5) and which shall be substantially in the form described in the Preliminary Official Statement;

(k) The City has duly authorized all necessary action to be taken by it for: (1) the issuance and sale of the Series 2020 A Bonds upon the terms set forth herein, in the Ordinance and in the Official Statement; (2) the execution and delivery of the Ordinance; (3) the approval of the Official Statement and the execution, distribution and delivery of the Official Statement by the Mayor and City Manager of the City; (4) the execution, delivery, receipt and due performance of this Purchase Agreement, the Series 2020 A Bonds, the Ordinance and any and all such other agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement; and (5) the carrying out, giving effect to and consummation of the transactions contemplated hereby and by the Ordinance and the Official Statement;

(l) When delivered to and paid for by the Underwriter in accordance with the terms of this Purchase Agreement, the Series 2020 A Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute valid and binding obligations of the City payable solely from the Gross Revenues of the Combined Utility System and moneys pledged therefor under the Ordinance and will be entitled to the benefit of the Ordinance. Neither the credit nor the taxing power of the City shall be deemed to be pledged to, nor shall a tax ever be levied for, the payment of the principal of, premium, if any, or the interest on the Series 2020 A Bonds;

(m) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the best knowledge of the City, threatened against or affecting the City (or, to the best knowledge of the City, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Official Statement or the validity of the Series 2020 A Bonds, the Ordinance, this Purchase Agreement or any agreement or instrument to which the City is a party and which is used or contemplated hereby or by the Official Statement or the validity of the Series 2020 A Bonds, the Ordinance, this Purchase Agreement or any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement;

(n) The execution and delivery of the Official Statement, this Purchase Agreement, the Series 2020 A Bonds, the Ordinance and the other agreements contemplated hereby and by the Official Statement, and compliance with the provisions thereof, to the best knowledge of the City, will not conflict with or constitute on the City’s part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the City is subject or by which the City is

or may be bound, and to the knowledge of the representatives of the City all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the consummation of the transactions contemplated thereby have been obtained;

(o) The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the City is a bond issuer whose arbitrage certifications may not be relied upon;

(p) All financial statements of the Board included as a part of the Preliminary Official Statement and the Official Statement (the "Financial Statements"), to the knowledge of the City, fairly present the financial condition of the Combined Utility System as of the respective dates and the results of its operations for the respective periods therein set forth and have been prepared when so indicated in accordance with generally accepted accounting principles consistently applied and, to the knowledge of the City, since the respective most recent dates as of which information is given in the Preliminary Official Statement or the Official Statement, there has not been any material change in the long-term debt secured by the Combined Utility System or, to the knowledge of the City, any material adverse change in the general affairs, management, financial position, or results of operations of the Combined Utility System and no material transactions or obligations other than in the ordinary course of business have been entered into with respect to the Combined Utility System by the Board, except as reflected in or contemplated by the Official Statement; and

(q) Any certificate signed by the Mayor and City Manager of the City or any of the City's authorized officers and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein. It is understood that the representations, warranties and covenants by the City contained in this Section 5 and elsewhere in this Purchase Agreement shall not create any general obligation or liability of the City, and that any obligation or liability of the City hereunder or under the Ordinance will be payable solely out of the Gross Revenues and other income, charges and moneys derived by the City from, or in connection with the Combined Utility System, nor shall any member, official or employee of the City be personally liable therefor.

6. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and agreements of the City made herein. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) At or prior to the time of the Closing, the Ordinance and the Undertaking, as approved by the Underwriter or its counsel, shall have been approved by the appropriate parties, shall have been duly executed, acknowledged, sealed and delivered, shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter;

(b) The Underwriter shall have the right to cancel its obligations hereunder to purchase the Series 2020 A Bonds (such cancellation shall not constitute a default hereunder) by notifying the City in writing of its election to do so between the date hereof and the Closing Date, if at any time hereafter and prior to the Closing Date:

(i) Any legislation, rule or regulation shall be introduced in, or enacted by, the United States House of Representatives or the United States Senate or any committee thereof, or a decision by a court established under Article III of the Constitution of the United States of America, or the Tax Court of the United States, shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed, which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Series 2020 A Bonds;

(ii) Any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, department or agency of the State of West Virginia or political subdivision thereof, or a decision by any court of competent jurisdiction within the State of West Virginia shall have been rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Series 2020 A Bonds;

(iii) A stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other government agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2020 A Bonds, or the issuance, offering or sale of the Series 2020 A Bonds, including all the underlying obligations, as contemplated hereby or by the Official Statement, is in violation of any provisions of the Securities Act of 1933, as amended and as then in effect, or the registration provisions of the Securities and Exchange Act of 1934, as amended and as then in effect, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect;

(iv) Any event shall have occurred or information become known which, in the Underwriter's reasonable opinion, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or the Official Statement or the Underwriter shall have determined that the Preliminary Official Statement or the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(v) A general banking moratorium shall have been established by Federal, New York State or West Virginia authorities;

(vi) In the reasonable opinion of the Underwriter, the market price of the Series 2020 A Bonds, or the market price generally of obligations of the general character of the Series 2020 A Bonds, has been adversely affected due to (1) the imposition of additional material restrictions not in force as of the date hereof upon trading in securities generally by any governmental authority or by any national securities exchange, (2) the imposition by the New York Stock Exchange, other national securities exchange or any governmental authority of any material restrictions as to the Series 2020 A Bonds or similar obligations not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter, or (3) war or any outbreak of hostilities or other national or international calamity or crisis shall have occurred or any armed conflict shall have occurred or

escalated to such a magnitude as in the reasonable opinion of the Underwriter to have a materially adverse effect on the ability of the Underwriter to market the Series 2020 A Bonds; or

(vii) There shall have been any materially adverse change in the affairs of the City;

(viii) additional events or announcements related to the COVID-19 virus and any other designated pandemic and its impact result in the cancellation of orders from investors or inability of investors to proceed with the purchase of their Series 2020 A Bonds in an amount that the Underwriter deems to have an adverse material impact on the sale of and market for the Series 2020 A Bonds; and

(c) At or prior to the Closing, the Underwriter and the City shall receive the following documents, in each case in form and substance satisfactory to us and our counsel:

(i) An opinion, dated the date of the Closing and addressed to the City and the Underwriter, of Steptoe & Johnson PLLC, Bond Counsel, in substantially the form attached as Appendix D to the Official Statement;

(ii) A supplemental bond counsel opinion, dated the date of the Closing and addressed to the Underwriter, of Steptoe & Johnson PLLC, Bond Counsel, to the effect that (1) this Purchase Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the Underwriter and that it is a binding agreement of the Underwriter in accordance with its terms) constitutes a binding agreement in accordance with its terms of, the City; (2) the Series 2020 A Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; (3) the statements contained in the Official Statement under the caption “Tax Matters” are true and accurate in all material respects and present a fair and accurate summary and description of the matters summarized and described under such caption; and (4) nothing has come to their attention which would lead them to believe that the statements contained in the Official Statement under the captions “Purpose and Plan of Financing,” “The Series 2020 A Bonds” (except for the statements referred to therein under “Book-Entry Only System” with respect to The Depository Trust Company), “Security for the Series 2020 A Bonds”, “Appendix D – Proposed Form of Bond Counsel Opinion,” and “Appendix E – Series 2020 A Ordinance” insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Ordinance, do not present fairly in all material respects the matters referred to therein;

(iii) An opinion, dated the date of Closing and addressed to the Underwriter, of Kay Casto & Chaney PLLC, counsel to the City, to the effect that (1) the City is a political subdivision and municipal corporation of the State of West Virginia, (2) the City has complied with all requirements of the Act and State Law that must be satisfied in connection with the issuance of the Series 2020 A Bonds, (3) the City has all power and authority to operate the Combined Utility System by and through the Board, (4) the City has the power and authorization to set and enforce rates and the water, sewer and stormwater rates and charges enacted by the City on April 16, 2019, February 2, 2016 and February 18, 2018, respectively, are in full force and

effect and are not subject to appeal, (5) the Mayor, the City Manager, the City Clerk and the members of the City’s Council all have been duly elected or appointed; (6) no litigation is pending, or to their knowledge threatened, in any court in any way affecting the existence of the City or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Series 2020 A Bonds, or the collection of Gross Revenues of the Combined Utility System pledged or to be pledged to pay the principal of and interest on the Series 2020 A Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series 2020 A Bonds, the Ordinance or this Purchase Agreement, or contesting the powers of the City with respect to the Series 2020 A Bonds, the Ordinance, or this Purchase Agreement or any transaction described in or contemplated by the Official Statement, (7) that the Official Statement, as amended or supplemented to the date of Closing (except as aforesaid), contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein regarding the City, in light of the circumstances under which they were made, not misleading, and (8) the statements contained in the Official Statement under the captions “Purpose and Plan of Financing,” and “Litigation,” insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Ordinance, are accurate and present a fair summary of the matters referred to therein;

(iv) Two counterpart originals of a transcript of all proceedings relating to the authorization and issuance of the Series 2020 A Bonds (to be delivered post-Closing);

(v) An opinion, dated the date of the Closing and addressed to the Underwriter, of Jackson Kelly PLLC, Underwriter’s Counsel, in the form acceptable to the Underwriter;

(vi) An opinion, dated the date of Closing and addressed to the Underwriter, of Jeffrey A. Ray, Esquire, General Counsel to the Board, to the effect that (1) the Board has been legally constituted and has all power and authority to manage and operate the Combined Utility System, (2) no litigation is pending, or to his knowledge threatened, in any court in any way affecting the existence of the Board or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the collection of Gross Revenues of the Combined Utility System pledged or to be pledged to pay the principal of and interest on the Series 2020 A Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series 2020 A Bonds, the Ordinance, the Undertaking or this Purchase Agreement, or contesting the powers of the Board with respect to this Purchase Agreement or any transaction described in or contemplated by the Official Statement, (3) that the Official Statement contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein regarding the Board, in light of the circumstances under which they were made, not misleading, and (4) the statements contained in the Official Statement under the captions “Purpose and Plan of Financing,” “The Combined Utility System,” “Litigation,” and “Continuing Disclosure,” insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Ordinance, are accurate and present a fair summary of the matters referred to therein;

(vii) A certificate, satisfactory to the Underwriter, of the Mayor and the City Manager of the City, or any other duly authorized officer of the City, as appropriate, satisfactory to the Underwriter, dated as of the Closing, to the effect that: (1) the City has duly performed all of its obligations to be performed at or prior to the Closing and that each of the representations and warranties contained herein are true as of Closing, (2) the City has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Series 2020 A Bonds, the Ordinance and any and all such other agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement, (3) to the knowledge of such signatories no litigation is pending, or to such signatories knowledge threatened, to restrain or enjoin the collection of the Gross Revenues, the pledge of the Gross Revenues to the Series 2020 A Bonds, the issuance or sale of the Series 2020 A Bonds or in any way affecting any authority for or the validity of the Series 2020 A Bonds or the Ordinance, (4) to the best knowledge of such signatories following appropriate inquiry, the execution, delivery, receipt and due performance of the Series 2020 A Bonds, the Ordinance and the other agreements contemplated hereby and by the Official Statement under the circumstances contemplated thereby and the City's compliance with the provisions thereof will not conflict with or constitute on the City's part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the City is subject or by which the City is or may be bound; and (5) such signatories are aware of no material non-compliance with the covenants in all outstanding Ordinances which authorized bonds secured by the Gross Revenues of the Combined Utility System;

(viii) Copies of this Purchase Agreement executed by the parties hereto;

(ix) Duly authorized and executed copies of the Undertaking, in substantially the form attached as Appendix F to the Official Statement and incorporated herein, which complies with the provisions of Rule 15c2-12(b)(5) in form and substance satisfactory to the Underwriter and evidence that the Board has adopted post issuance continuing disclosure procedures;

(x) A certificate of the Board executed by authorized officers thereof, dated the Closing Date and in form and substance satisfactory to the Underwriter and counsel to the Underwriter, to the effect that the Board is obligated by such Undertaking and except as provided in the Official Statement is in full compliance with all of the Board's prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5);

(xi) A certificate from an independent certified public accountant, stating that the City has Gross Revenues sufficient to meet the coverage and parity requirements of the Ordinance and the Prior Ordinances;

(xii) A Certificate of the Registrar to the effect that all conditions precedent contained in the Ordinance for the issuance of the Series 2020 A Bonds have been met, and the Series 2020 A Bonds are entitled to the benefit and security of the Ordinance;

(xiii) The Ordinance, certified by the City Clerk under the seal of the City, as having been duly enacted by the City and as being in full force and effect, with only such amendments, modifications or supplements as may have been agreed to by the Underwriter;

(xiv) With respect to the Series 2020 A Bonds, an Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in the form satisfactory to Bond Counsel for filing, executed by the duly authorized officer of the City and evidence that the City has adopted post issuance compliance guidelines sufficient to allow the City to check boxes 43 and 44 on Form 8038-G;

(xv) A tax and arbitrage certificate of the City;

(xvi) A consent from the holders of the Prior Bonds, if required, to the issuance of the Series 2020 A Bonds on a parity with the Prior Bonds;

(xvii) [Evidence of the issuance of the Series 2020 A Insurance Policy from the Bond Insurer, and evidence of the issuance of the Series 2020 A Reserve Policy provided for the Series 2020 A Bonds Reserve Account from the Bond Insurer];

(xviii) [Evidence of “AA” rating from S&P Global Ratings, based on the Series 2020 A Insurance Policy];

(xix) Evidence of an underlying rating of “\_\_” to the Combined Utility System, from Moody’s Investor Services;

(xx) Evidence that the City has (1) provided required notices regarding the defeasing and payment in full of the City’s Series 2010 A Bonds; and (2) received a certificate of West Virginia Municipal Bond Commission relating to the defeasance of the Series 2010 A Bonds;

(xxi) an opinion dated the date of the Closing and addressed to the Underwriter, of Steptoe & Johnson PLLC, Disclosure Counsel, to the effect that (1) the Undertaking complies as to form in all material respects with the requirements of paragraph (b)(5) of the Rule; and (2) with respect to the Official Statement that no facts have come to their attention that the Official Statement contains any untrue statements of a material fact or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(xxii) Evidence that the reserve funds for the Prior Bonds are funded at the levels required therefor and that the Series 2020 A Bonds Reserve Account is fully funded [with the Series 2020 A Reserve Policy];

(xxiii) Consent from the Board’s Accountants to use the Board’s audit in the Preliminary Official Statement and Official Statement;

(xxiv) an opinion dated the date of the Closing and addressed to the Underwriter, of Steptoe & Johnson PLLC, Bond Counsel, to the effect that the lien of the Series 2010 A Bonds on the revenues pledged thereto has been defeased pursuant to the terms of the ordinance authorizing the Series 2010 A Bonds;

(xxv) a report of an independent firm of nationally recognized certified public accountants or such other accountant verifying the sufficiency of the escrow established to pay the Series 2010 A Bonds in full on the maturity or redemption date; and

(xxvi) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or its counsel, Jackson Kelly PLLC, reasonably may deem necessary or advisable to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the City's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City on or prior to the date of the Closing of all agreements then to be performed and all conditions then to be satisfied by the City.

All of the opinions, letters, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter and to Jackson Kelly PLLC, counsel to the Underwriter.

If the City shall be unable to satisfy or cause to be satisfied the conditions to the Underwriter's obligations in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and the Underwriter and the City shall not have any further obligations, claims or rights hereunder. However, the Underwriter may in its discretion waive in writing one or more conditions imposed by this Purchase Agreement for the protection of the Underwriter and proceed with the Closing.

7. The Underwriter shall be under no obligation to pay and, if the Series 2020 A Bonds are issued, the City shall pay or cause to be paid from the proceeds of the Series 2020 A Bonds or other funds of the City, any fees and expenses incident to the performance of the City's obligations hereunder including (i) all expenses in connection with the printing and distribution of the Preliminary Official Statement, the Official Statement and any amendment or supplement to either; (ii) all expenses in connection with the preparation, printing, issuance and delivery of the Series 2020 A Bonds; (iii) the fees and disbursements of Steptoe & Johnson PLLC, Bond Counsel and Disclosure Counsel; (iv) all advertising expenses in connection with the public offering of the Series 2020 A Bonds; (v) the fees and disbursements of the Registrar; (vi) the fees and expenses of Counsel to the Underwriter; (vii) the fees and expenses of the accountant; (viii) the bond insurance premium and debt service reserve policy premium; (ix) all rating agency fees; (x) the fees and expenses of the verification agent, and (xi) all other expenses and costs (including the legal fees and expenses of the City and the Board) for the authorization, issuance, sale and distribution of the Series 2020 A Bonds.

8. The Underwriter shall pay from the underwriting spread all expenses incurred by it in connection with its public offering and distribution of the Series 2020 A Bonds, including all out-of-pocket expenses, travel and other expenses and filing fees.

9. For so long as the Underwriter, or dealers or banks, if any, participating in the distribution of the Series 2020 A Bonds, is offering the Series 2020 A Bonds which constitute the whole or a part of its unsold participations, the City will: (a) not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by Counsel for the Underwriter, unless, in the opinion of the Counsel to the City, such amendment or supplement is required to make the Official Statement not misleading, and (b) if any event relating to or affecting the City shall occur as a result of which it is necessary, in the opinion of Bond Counsel or Counsel for the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment or a supplement to the Official Statement (in form and substance satisfactory to the Counsel for the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. The expense of preparing such amendment or supplement shall be borne by the City. For the purposes of this paragraph, the City will furnish such information with respect to themselves as the Underwriter from time to time may request.

10. Neither the officials of the City nor its employees shall be personally liable for breach of any representation, agreement or warranty made by the City within this Purchase Agreement.

11. Any notice or other communication to be given under this Purchase Agreement may be given by delivering the same in writing as follows:

To the City:

City of Morgantown  
389 Spruce Street  
Morgantown, WV 26505  
Attention: City Manager

To the Underwriter:

Crews & Associates, Inc.  
300 Summers Street  
Suite 930  
Charleston, WV 25301

12. (a) The Underwriter agrees to assist the City in establishing the issue price of the Series 2020 A Bonds and shall execute, and deliver to the City at Closing, an “issue price” or similar certificate substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2020 A Bonds.

(b) The City will treat the first price at which 10% of each maturity of the Series 2020 A Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

(c) With respect to the maturities of the Series 2020 A Bonds for which the 10% test has not been satisfied, set forth on Schedule A of the attached Exhibit B, if any, the Underwriter agrees that the Underwriter will neither offer nor sell unsold Series 2020 A Bonds of such maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the Sale Date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2020 A Bonds to the public at a price that is no higher than the initial offering price to the public (the “Hold-the-Offering-Price Rule”).

The Underwriter shall promptly advise the City when the Underwriter has sold 10% of that maturity of the Series 2020 A Bonds to the public at a price that is no higher than the initial offering price to the public if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

13. This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All agreements of the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Series 2020 A Bonds.

14. This Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

15. The approval of the Underwriter when required hereunder or the determination of its satisfaction with any document referred to herein shall be in writing signed by the Underwriter and delivered to the City. This Purchase Agreement shall become legally effective upon its acceptance by the City, as evidenced by the signature of the Mayor and the City Manager of the City in the space provided hereinafter therefor.

Crews & Associates, Inc.

By: \_\_\_\_\_  
Its: Senior Managing Director

ACCEPTED AND APPROVED:

\_\_\_\_\_, 2020 at \_\_\_\_\_ .m.

City of Morgantown, West Virginia

By: \_\_\_\_\_  
Its: Mayor

By: \_\_\_\_\_  
Its: City Manager

**EXHIBIT A**

\$ \_\_\_\_\_

**CITY OF MORGANTOWN (WEST VIRGINIA)  
COMBINED UTILITY SYSTEM REFUNDING REVENUE BONDS  
SERIES 2020 A (TAX EXEMPT)**

**MATURITIES, AMOUNTS AND INTEREST RATES  
\$ \_\_\_\_\_ Serial Bonds**

| <b>Maturing<br/>(December 1)</b> | <b>Principal<br/>Amount<br/>(\$)</b> | <b>Interest Rate<br/>(%)</b> | <b>Yield<br/>(%)</b> | <b>Price<br/>(%)</b> | <b>CUSIP #</b> |
|----------------------------------|--------------------------------------|------------------------------|----------------------|----------------------|----------------|
| 2020                             |                                      |                              |                      |                      |                |
| 2021                             |                                      |                              |                      |                      |                |
| 2022                             |                                      |                              |                      |                      |                |
| 2023                             |                                      |                              |                      |                      |                |
| 2024                             |                                      |                              |                      |                      |                |
| 2025                             |                                      |                              |                      |                      |                |
| 2026                             |                                      |                              |                      |                      |                |
| 2027                             |                                      |                              |                      |                      |                |
| 2028                             |                                      |                              |                      |                      |                |
| 2029                             |                                      |                              |                      |                      |                |

\* Priced to an optional call date of December 1, 20\_\_.

\$ \_\_\_\_\_ % Term Bond due December 1, 20\_\_ Yield \_\_\_\_% Price \_\_\_\_% CUSIP No. \_\_\_\_\_  
\$ \_\_\_\_\_ % Term Bond due December 1, 20\_\_ Yield \_\_\_\_% Price \_\_\_\_% CUSIP No. \_\_\_\_\_

**Optional Redemption**

The Series 2020 A Bonds maturing on and after December 1, 20\_\_, are subject to redemption at the option of the City, prior to maturity, on or after December 1, 20\_\_, in whole or in part at any time, and by random selection within maturities if less than all of any maturity, at a redemption price of (expressed as a percentage of the principal amount) of 100%.

So long as the Series 2020 A Bonds are maintained under a book-entry system, notice of the call for any redemption of the Series 2020 A Bonds shall be given as described in "APPENDIX C – BOOK-ENTRY ONLY SYSTEM" attached to the Official Statement.

**Mandatory Sinking Fund Redemption**

The Series 2020 A Bonds maturing December 1, 20\_\_, and December 1, 20\_\_, are subject to annual mandatory redemption prior to maturity by random selection on December 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Series 2020 A Bonds Maturing 20

| <u>Year (December 1)</u> | <u>Principal Amount</u> |
|--------------------------|-------------------------|
| 20__                     | \$                      |
| 20__                     | \$                      |
| 20__                     | \$                      |
| 20__                     | \$                      |
| 20__**                   | \$                      |

\*\*Final maturity.

Series 2020 A Bonds Maturing 20

| <u>Year (December 1)</u> | <u>Principal Amount</u> |
|--------------------------|-------------------------|
| 20__                     | \$                      |
| 20__                     | \$                      |
| 20__                     | \$                      |
| 20__                     | \$                      |
| 20__**                   | \$                      |

\*\*Final maturity.

If less than all of the Series 2020 A Bonds are to be redeemed, the Series 2020 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

**EXHIBIT B**

**FORM OF ISSUE PRICE CERTIFICATE**

**CITY OF MORGANTOWN (WEST VIRGINIA)  
COMBINED UTILITY SYSTEM REFUNDING REVENUE BONDS  
SERIES 2020 A (TAX EXEMPT)**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of CREWS & ASSOCIATES, INC. (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Series 2020 A Bonds”).

**1. Sale of the General Rule Maturities.** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of each such Maturity of the Series 2020 A Bonds was sold to the Public is the respective price listed in Schedule A.

**2. Initial Offering Price of the Hold-the-Offering-Price Maturities.**

(a) Select Maturities Use Hold-the-Offering-Price Rule: The Underwriter has offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2020 A Bonds is attached to this certificate as Schedule B.

(b) Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement the Underwriter has agreed in writing that for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the unsold Series 2020 A Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”). Pursuant to such agreement, no Underwriter has offered or sold any unsold Series 2020 A Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2020 A Bonds during the Holding Period.

**3. Defined Terms.**

(a) “General Rule Maturities” means those Maturities of the Series 2020 A Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) “Hold-the-Offering-Price Maturities” means those Maturities of the Series 2020 A Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) “Holding Period” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2020), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) “Issuer” means The City of Morgantown, West Virginia.

(e) “Maturity” means Series 2020 A Bonds with the same credit and payment terms. Series 2020 A Bonds with different maturity dates, or Series 2020 A Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2020 A Bonds. The Sale Date of the Series 2020 A Bonds is \_\_\_\_\_, 2020.

(h) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020 A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2020 A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2020 A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2020 A Bonds, and by Steptoe & Johnson PLLC in connection with rendering its opinion that the interest on the Series 2020 A Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Series 2020 A Bonds.

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CREWS & ASSOCIATES, INC.

By: \_\_\_\_\_  
Its: Senior Managing Director

Dated: \_\_\_\_\_, 2020

**SCHEDULE A**  
**SALE PRICES OF THE GENERAL RULE MATURITIES AND**  
**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**  
**(Attached)**

**GENERAL RULE MATURITIES**

**HOLD-THE-OFFERING-PRICE MATURITIES**

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**  
**(Attached)**

NEW ISSUE  
BOOK ENTRY ONLY

In the opinion of Steptoe & Johnson PLLC, Bond Counsel, under existing law and assuming continuing compliance with various requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2020 A Bonds is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and such interest is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that under the laws of the State of West Virginia, as presently written and applied, the Series 2020 A Bonds and the interest thereon are exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof. See West Virginia Code Section 8-20-5 and "APPENDIX D – PROPOSED FORM OF BOND COUNSEL OPINION" herein. The above opinions are subject to certain limitations and exceptions. See "TAX MATTERS" herein.

\$ \_\_\_\_\_\*

THE CITY OF MORGANTOWN (WEST VIRGINIA)  
COMBINED UTILITY SYSTEM REFUNDING REVENUE BONDS  
SERIES 2020 A (TAX EXEMPT)

**Dated:** Date of Delivery

**Due:** As shown on inside front cover

The Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt) (the "Series 2020 A Bonds"), are being issued by The City of Morgantown, West Virginia (the "Issuer" or "City"), to provide funds: (i) to refund the Series 2010 A Bonds (defined herein); (ii) to fund the Series 2020 A Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Series 2020 A Reserve Policy") from Build America Mutual Assurance Company ("BAM" or the "Bond Insurer"); (iii) to pay the premium for a municipal bond insurance policy (the "Series 2020 A Insurance Policy") from the Bond Insurer to secure the payment of the principal of, and interest on, the Series 2020 A Bonds; and (iv) to pay costs of issuance (defined herein) of the Series 2020 A Bonds and related costs. The Series 2020 A Bonds Reserve Account shall be funded through the Series 2020 A Reserve Policy issued simultaneously with the delivery of the Series 2020 A Bonds by the Bond Insurer in the amount equal to the Series 2020 A Bonds Reserve Requirement. For a description of the Series 2020 A Insurance Policy, the Series 2020 A Reserve Policy and the Bond Insurer, see "SECURITY FOR THE SERIES 2020 A BONDS – Sources of Payment" and "APPENDIX G – BOND INSURER" herein.

Interest on the Series 2020 A Bonds is payable on each June 1 and December 1, commencing December 1, 2020 (each, an "Interest Payment Date"). So long as the Series 2020 A Bonds are maintained under a book-entry system, payments of the principal of, and premium, if any, and interest on, the Series 2020 A Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owners in accordance with the Series 2020 A Ordinance (defined herein), and the Paying Agent will have no obligation to make any payments to any beneficial owner of any of the Series 2020 A Bonds. See "THE SERIES 2020 A BONDS" and "APPENDIX C – BOOK-ENTRY ONLY SYSTEM" herein.

The Series 2020 A Bonds are subject to optional and mandatory redemption prior to maturity as set forth herein. See "THE SERIES 2020 A BONDS – Redemption Provisions for Series 2020 A Bonds" herein.

The Series 2020 A Bonds are limited special obligations of the Issuer payable solely from and secured by the Gross Revenues (defined herein) derived from the combined potable water, sanitary sewer and stormwater utility system of the Issuer, which is managed, operated and maintained by the Morgantown Utility Board ("MUB"), and any extensions, improvements and betterments thereto (collectively, the "Combined Utility System" or "System" as more fully described herein), on a parity with the Prior Bonds (defined herein), any Additional Parity Bonds (defined herein) that may hereafter be issued by the Issuer, and from funds on deposit in, or with respect to the Series 2020 A Reserve Account, the Series 2020 A Reserve Policy pledged thereto, and the Series 2020 A Bonds Sinking Fund, and the unexpended proceeds of the Series 2020 A Bonds, all as more fully described herein. See "INTRODUCTION – Use of the Series 2020 A Bond Proceeds" herein.

**The Series 2020 A Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, and the Issuer shall not be obligated to pay the Series 2020 A Bonds or the interest thereon except from the above-referenced Gross Revenues and the Series 2020 A Bonds Sinking Fund and Series 2020 A Bonds Reserve Account therein and the Series 2020 A Reserve Policy. The Series 2020 A Bonds shall not be general obligations of the Issuer. Neither the credit nor the taxing power of the Issuer shall be deemed to be pledged to, nor shall any tax ever be levied for, the payment of the principal of or interest on the Series 2020 A Bonds.**

The Series 2020 A Bonds are issued in fully registered form in the denomination of \$5,000 principal amount or any integral multiple thereof. Purchasers of the Series 2020 A Bonds will not receive certificates representing their interests in the Series 2020 A Bonds purchased. The Series 2020 A Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC").

The scheduled payment of principal of and interest on the Series 2020 A Bonds when due will be guaranteed under the Series 2020 A Insurance Policy to be issued concurrently with the delivery of the Series 2020 A Bonds by the Bond Insurer. For the form of the policy, see "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.



This cover page contains only a brief description of the Issuer, the Series 2020 A Bonds and the security therefor. This cover page is not a summary of this Official Statement. Investors should read the entire Official Statement, including all Appendices, to obtain information essential to the making of an informed investment decision.

The Series 2020 A Bonds are offered for delivery when, as and if issued and received by the Underwriter, subject to prior sale and to withdrawal or modification of the offering, without notice, and to the unqualified approval of legality by Steptoe & Johnson PLLC, Bond Counsel to the Issuer. Steptoe & Johnson PLLC also serves as Disclosure Counsel to the Issuer and MUB in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Underwriter by Jackson Kelly PLLC, Underwriter's Counsel. Certain legal matters will be passed upon for the Issuer by counsel, Kay Casto & Chaney PLLC. Certain legal matters will be passed upon for MUB by its counsel, Jeffrey A. Ray, Esq. It is expected that the Series 2020 A Bonds will be available for delivery through DTC on or about \_\_\_\_\_, 2020.

Dated: \_\_\_\_\_, 2020



\*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The Issuer deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof and certain pages herein which have been omitted in accordance with said Rule and which will be supplied in the final Official Statement.

\$ \_\_\_\_\_ \*

**The City of Morgantown (West Virginia)**  
**Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt)**

**MATURITIES, AMOUNTS AND INTEREST RATES\***

\$ \_\_\_\_\_ \* **Serial Bonds**

| <b>Maturing<br/>(December 1)</b> | <b>Principal<br/>Amount*</b> | <b>Interest<br/>Rate (%)</b> | <b>Yield<br/>(%)</b> | <b>CUSIP**<br/>Base #</b> | <b>Maturing<br/>(December 1)</b> | <b>Principal<br/>Amount*</b> | <b>Interest<br/>Rate (%)</b> | <b>Yield<br/>(%)</b> | <b>CUSIP**<br/>Base #</b> |
|----------------------------------|------------------------------|------------------------------|----------------------|---------------------------|----------------------------------|------------------------------|------------------------------|----------------------|---------------------------|
| 2020                             | _____                        |                              |                      |                           | 2028                             | _____                        |                              |                      |                           |
| 2021                             | _____                        |                              |                      |                           | 2029                             | _____                        |                              |                      |                           |
| 2022                             | _____                        |                              |                      |                           | 2030                             | _____                        |                              |                      |                           |
| 2023                             | _____                        |                              |                      |                           | 2031                             | _____                        |                              |                      |                           |
| 2024                             | _____                        |                              |                      |                           | 2032                             | _____                        |                              |                      |                           |
| 2025                             | _____                        |                              |                      |                           | 2033                             | _____                        |                              |                      |                           |
| 2026                             | _____                        |                              |                      |                           | 2034                             | _____                        |                              |                      |                           |
| 2027                             | _____                        |                              |                      |                           | 2035                             | _____                        |                              |                      |                           |

\$ \_\_\_\_\_ \* \_\_\_\_\_ % Term Bonds due December 1, 2040 at \_\_\_\_\_ % CUSIP\*\*: \_\_\_\_

\*Preliminary, subject to change.

\*\* CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services (“CGS”) operated by S&P Capital IQ base and does not serve in any way as a substitute for the CGS. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of investors. Neither the Issuer nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2020 A Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2020 A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of a secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2020 A Bonds.

[\*\*\*Priced to first optional redemption date of \_\_\_\_\_ 1, 20\_\_.]

**THE CITY OF MORGANTOWN**

**MAYOR**

Ron Dulaney, Jr., Mayor

**COUNCIL**

Rachel Fetty  
Zackery Cruze  
Jennifer Selin

Bill Kawecki  
Dave Harshbarger  
Barry Lee Wendell

**ASSISTANT AND INTERIM CITY MANAGER**

Emily Muzzarelli, P.E.

**CITY CLERK**

Christine Wade

**COUNSEL TO THE CITY OF MORGANTOWN**

Kay Casto & Chaney PLLC

**MORGANTOWN UTILITY BOARD**

J.T. Straface  
Barbara Parsons  
Karen Kunz  
Tom Witt  
Sarah Cayton

**GENERAL MANAGER OF MORGANTOWN UTILITY BOARD**

Timothy Ball, P.E.

**COUNSEL TO MORGANTOWN UTILITY BOARD**

Jeffrey A. Ray, Esq.

**BOND COUNSEL AND DISCLOSURE COUNSEL**

Step toe & Johnson PLLC

**PAYING AGENT**

West Virginia Municipal Bond Commission

**REGISTRAR**

United Bank

**UNDERWRITER**

Crews & Associates, Inc.

**UNDERWRITER'S COUNSEL**

Jackson Kelly PLLC

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2020 A Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the Issuer, MUB or the Underwriter to give any information or to make any representations, other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the Issuer, MUB and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, MUB or the Combined Utility System since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained from the Issuer, MUB and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by, any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, MUB or the Combined Utility System.

The Series 2020 A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the Combined Utility System, and from the funds on deposit in the Series 2020 A Bonds Sinking Fund, and the Series 2020 A Bonds Reserve Account therein, the Series 2020 A Reserve Policy and the unexpended proceeds of the Series 2020 A Bonds, all as herein provided. No Holder or Holders of the Series 2020 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2020 A Bonds or the interest thereon.

### **Bond Insurance Policy**

BAM makes no representation regarding the Series 2020 A Bonds or the advisability of investing in the Series 2020 A Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading SECURITY FOR THE SERIES 2020 A BONDS – Bond Insurance, “APPENDIX G – BOND INSURER,” “APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY”, and “APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY” herein.

### **Forward-Looking Statements**

**This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimated,” “forecasted,” “intended,” “expected,” “anticipated,” “projected,” “assumed” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.**

You should make your own decision whether this offering meets your investment objectives and risk tolerance level. No federal or state securities commission has approved, disapproved, endorsed or recommended this offering. No independent person has confirmed the accuracy or truthfulness of this disclosure, nor whether it is complete. The Issuer is relying on an exemption from registration by qualification under the West Virginia Securities Act.

The Series 2020 A Ordinance has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

The following sentence has been provided by the Underwriter for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Series 2020 A Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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## OFFICIAL STATEMENT

\$ \_\_\_\_\_\*

### THE CITY OF MORGANTOWN (WEST VIRGINIA) COMBINED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020 A (TAX EXEMPT)

#### INTRODUCTION

##### General

This Official Statement, including the cover page and the Appendices herein, is provided to set forth certain information concerning the issuance by The City of Morgantown, a political subdivision and municipal corporation of the State of West Virginia (the “Issuer” or “City”), of \$ \_\_\_\_\_\* in aggregate principal amount of its Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt) (the “Series 2020 A Bonds”). The Series 2020 A Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the “State”), particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (collectively, the “Act”), and an ordinance enacted by the Council of the Issuer on September 1, 2020, supplemented by a Supplemental Parameters Resolution adopted by the Council of the Issuer on October 6, 2020, and a Certificate of Determinations executed by the Mayor and City Manager of the Issuer on \_\_\_\_\_, 2020 (said ordinance, as so supplemented, is collectively referred to herein as the “Series 2020 A Ordinance”).

Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings ascribed thereto in the Series 2020 A Ordinance.

##### The City of Morgantown

The Issuer is a municipality of approximately 30,000 residents located in Monongalia County, West Virginia (the “County”). The Issuer, through the Morgantown Utility Board (“MUB”) (hereinafter described), provides potable water treatment, storage and distribution service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the “Water System”), sanitary sewerage collection and treatment service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the “Sewer System”) and stormwater management, conveyance and containment service (collectively, the assets specifically including, but not limited to, real and personal property, associated with providing such service, as presently and hereafter existing, the “Stormwater System”) to the residents of the Issuer, as well as to customers located in surrounding municipalities and unincorporated areas of the County, both directly as retail customers and through bulk sales to surrounding utilities. Pursuant to the Act, the Issuer enacted an ordinance on September 1, 1987 (as supplemented, the “MUB Ordinance”), creating MUB for the purpose of operating, managing and maintaining the Water System and the Sewer System as a combined waterworks and sewer sewerage system under the Act. Pursuant to an ordinance enacted by the Council of the Issuer on May 21, 2002, a stormwater utility was created, the management, control and operation of which was vested in MUB. Pursuant to an ordinance enacted by the Council of the Issuer on May 1, 2007, the Stormwater System was combined with the existing combined waterworks and sewerage system to create a combined waterworks, sewerage and stormwater system, as authorized by the Act (collectively, the “Combined Utility System”), all of which is operated, managed and maintained by MUB.

Pursuant to the Act, the Issuer, through its City Council, retains the following authority with respect to MUB and the Combined Utility System:

- a. Appointment of the members of the Board of Directors of MUB;
- b. Authorization of changes in rates and charges for the Water System, Sewer System and Stormwater System;
- c. Issuance of bonds, notes and other debt obligations secured by the Gross Revenues of the Combined Utility System;

\* Preliminary, subject to change.

- d. Approval of capital projects for the Water System and Sewer System which are not “in the ordinary course of business;” and
- e. Approval of real property condemnations for the Combined Utility System.

The Issuer and MUB disagree regarding whether the Act requires MUB to obtain the approval of the Issuer prior to MUB commencing and prosecuting condemnation actions. The Issuer and MUB have engaged in ongoing, good-faith discussions in an attempt to achieve a mutually agreeable resolution to this disagreement. During the course of these discussions, MUB has disclosed prior condemnation actions that it has undertaken without approval of the Issuer. On September 29, 2020, the Issuer adopted Ordinance No. 2020-36 for the purpose of expressly approving and ratifying all past property acquisitions by MUB that resulted from condemnation actions, in order to ensure that all approvals of condemnation actions that the Issuer contends are necessary have been granted. The Issuer and MUB continue to engage in good-faith discussions regarding this issue, and both the Issuer and MUB agree that the question of whether the Issuer must approve condemnation actions by MUB is not material to the issuance of the Series 2020 A Bonds.

The Combined Utility System is an “enterprise” of the Issuer and, as such, the Gross Revenues from, and assets of, the Combined Utility System may only be used for the purposes of the Combined Utility System. Gross Revenues are defined in the Series 2020 A Ordinance as:

the aggregate gross operating and non-operating revenues of the Combined Utility System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that “Gross Revenues” include any gains from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments) or any Tap Fees. See “APPENDIX E – SERIES 2020 A ORDINANCE” herein.

**Morgantown Utility Board**

MUB has control over, and is responsible for, all aspects of the management, operation, maintenance, expansion and improvement of the Combined Utility System with the exception of the powers specifically reserved to City Council pursuant to the Act, as set forth above. MUB operates as an independent and autonomous agency of the City, funded entirely from the Gross Revenues of the Combined Utility System.

MUB provides retail potable water service to approximately 27,300 service connections and retail sewer service to approximately 23,000 service connections. The Stormwater System serves approximately 15,400 customers in the City and surrounding unincorporated areas. MUB provides wholesale potable water and/or wastewater conveyance and treatment to a variety of surrounding public utilities which serve, in aggregate, approximately 13,000 customers in their respective service territories. See “THE ISSUER AND THE MORGANTOWN UTILITY BOARD” herein.

**Use of the Series 2020 A Bonds Proceeds**

The net proceeds from the sale of the Series 2020 A Bonds will be applied as follows: (i) to refund the Issuer’s outstanding Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), dated January 28, 2010, issued in the aggregate principal amount of \$37,950,000 (the “Series 2010 A Bonds”); (ii) to fund the Series 2020 A Bonds Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the “Series 2020 A Reserve Policy”) from Build America Mutual Assurance Company (“BAM” or the “Bond Insurer”); (iii) to pay the premium for a municipal bond insurance policy (the “Series 2020 A Insurance Policy”) from the Bond Insurer to secure the payment of the principal of, and interest on, the Series 2020 A Bonds; and (iv) to pay costs of issuance of the Series 2020 A Bonds and related costs. See “PURPOSE AND PLAN OF FINANCING” herein.

**Security and Sources of Payment for the Series 2020 A Bonds**

The Series 2020 A Bonds are payable solely from and secured by the Gross Revenues derived from the Combined Utility System, on a parity with the Prior Bonds (hereinafter defined), and any Additional Parity Bonds (hereinafter defined) that may hereafter be issued by the Issuer as permitted by the Series 2020 A Ordinance (the Series 2020 A Bonds, the Prior Bonds and any such Additional Parity Bonds, are collectively referred to herein as the “Bonds”), from the unexpended proceeds of the Series 2020 A Bonds, and from funds on deposit in the Series 2020 A Bonds Sinking Fund, and the Series 2020 A Reserve Policy pledged to, and any funds on deposit in, the Series 2020

A Bonds Reserve Account, established for the Series 2020 A Bonds under the Series 2020 A Ordinance. Additionally, the payment of the principal of and interest on the Series 2020 A Bonds when due will be guaranteed under a municipal bond insurance policy to be issued by BAM. See “APPENDIX G – BOND INSURER” and “APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY” herein.

The Series 2020 A Bonds are limited special obligations of the Issuer. The Series 2020 A Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness, and the Issuer shall not be obligated to pay the principal of the Series 2020 A Bonds, or the interest or premium, if any, thereon, except from the Gross Revenues and funds on deposit in the Series 2020 A Bonds Sinking Fund, the Series 2020 A Bonds Reserve Account established therefor, the Series 2020 A Reserve Policy, and the unexpended proceeds of the Series 2020 A Bonds. Pursuant to the Series 2020 A Ordinance, the Issuer has covenanted and agreed that the schedule or schedules of rates and charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 115% of the Maximum Annual Debt Service on the Bonds then outstanding in any Fiscal Year. See “SECURITY FOR THE SERIES 2020 A BONDS – Rate Covenant” herein.

The Series 2020 A Bonds will be dated, will mature, will bear interest and will be subject to redemption prior to maturity as more fully described under the heading “THE SERIES 2020 A BONDS” herein. The Series 2020 A Bonds will initially be maintained under a book-entry system. So long as the Series 2020 A Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2020 A Bonds shall be determined as described in “APPENDIX C – BOOK-ENTRY ONLY SYSTEM” herein. If the book-entry system is discontinued for any reason, principal of, and interest and premium, if any, on the Series 2020 A Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the “Paying Agent”) to the owners thereof at the address appearing in the books kept by United Bank, Charleston, West Virginia as registrar (the “Registrar”). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see “THE SERIES 2020 A BONDS” herein and “APPENDIX E – SERIES 2020 A ORDINANCE” herein.

There are outstanding obligations of the Issuer which will rank on parity with the Series 2020 A Bonds as to lien, pledge, source of and security for payment. See “SECURITY FOR THE SERIES 2020 A BONDS” herein. The Issuer may issue additional bonds on parity with the Series 2020 A Bonds and the Prior Bonds (“Additional Parity Bonds”) for the purpose of financing the costs of design, acquisition, construction and/or equipping of additions, betterments or improvements to the Combined Utility System, to refund all or a portion of one or more series of Bonds or any hereinafter issued Additional Parity Bonds, to pay claims which may exist against the revenues or facilities of the Combined Utility System or all of such purposes, subject in each case to certain tests and conditions provided for in the Series 2020 A Ordinance and the Prior Ordinances (hereinafter defined). See “SECURITY FOR THE SERIES 2020 A BONDS – Additional Parity Bonds” herein.

Brief descriptions of the Series 2020 A Bonds, the Combined Utility System, the Series 2020 A Ordinance, certain provisions of the Act and the Undertaking (hereinafter defined) are set forth in this Official Statement, as well as other information in the Appendices herein. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Series 2020 A Ordinance, the Undertaking, the Act and other documents, statutes, reports or instruments are qualified in their entirety by reference to such documents, statutes, reports or instruments. References herein to the Series 2020 A Bonds are qualified in their entirety by reference to the form thereof included in the Series 2020 A Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement have the meanings given to them in the Series 2020 A Ordinance. See “APPENDIX E – SERIES 2020 A ORDINANCE” herein.

### **PURPOSE AND PLAN OF FINANCING**

The Series 2020 A Bonds are being issued to: (i) refund the Series 2010 A Bonds; (ii) pay the premium for the Series 2020 A Reserve Policy from the Bond Insurer to fund the Series 2020 A Bonds Reserve Account; (iii) pay the premium for the Series 2020 A Insurance Policy from the Bond Insurer to secure the payment of the principal of, and interest on, the Series 2020 A Bonds; and (iv) pay the costs of issuance of the Series 2020 A Bonds and related costs.

**SOURCES AND USES OF FUNDS\***

The following table sets forth a summary of the estimated sources and uses of funds relating to the issuance of the Series 2020 A Bonds.

| <b>Sources:</b>                       | <b>Series 2020 A*</b> |
|---------------------------------------|-----------------------|
| Series 2020 A Bond Proceeds:          |                       |
| Par Amount of Series 2020 A Bonds     | \$                    |
| [Net Original Issue Premium/Discount] | \$                    |
| <b>Total Sources</b>                  | <b>\$</b>             |
| Series 2020 A Bond Proceeds:          |                       |
| Deposit to Net Cash Escrow Fund       | \$                    |
| Gross Surety Bond Premium             | \$                    |
| Gross Bond Insurance Premium          | \$                    |
| Costs of Issuance (1)                 | \$                    |
| <b>Total Uses</b>                     | <b>\$</b>             |

- (1) Includes Underwriter’s discount, Bond Counsel fees, Disclosure Counsel fees, Underwriter’s Counsel Fees Registrar fees, Disclosure Agent fees and other costs associated with the issuance of the Series 2020 A Bonds.

Please see “DEBT SERVICE REQUIREMENTS” herein for a discussion of the structure of, and debt service payable on, the Series 2020 A Bonds.

\* Preliminary, subject to change.

**THE SERIES 2020 A BONDS**

**General**

The Series 2020 A Bonds are dated the date of delivery. All Series 2020 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2020 A Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2020 A Bonds shall be in default, Series 2020 A Bonds issued in exchange for Series 2020 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2020 A Bonds so surrendered. The Series 2020 A Bonds will bear interest from their date, payable semiannually on each June 1 and December 1 in each year (each an “Interest Payment Date”), commencing December 1, 2020, until maturity or until the date fixed for redemption if a Series 2020 A Bond is called for prior redemption and payment on such date as provided for.

**Redemption Provisions for Series 2020 A Bonds**

Optional Redemption

The Series 2020 A Bonds are subject to redemption at par (or at a redemption price of 100%), at the option of the Issuer on or after \_\_\_\_\_ 1, 20\_\_, in whole or in part, at any time by lot, at an amount of the principal amount, plus interest, if any, accrued to the date fixed for redemption.

Mandatory Redemption\*

The Term Bonds due \_\_\_\_\_ 1, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on \_\_\_\_\_ 1 of the following years in the following amounts:

| <u>Year</u> | <u>Principal Amount*</u> |
|-------------|--------------------------|
| 20__        | \$ _____                 |
| 20__        | \$ _____                 |
| 20__        | \$ _____                 |
| 20__        | \$ _____                 |
| 20__ **     | \$ _____                 |

\* Preliminary, subject to change.

\*\* Final Maturity

### **Notice of Redemption**

Unless waived by any holder of the Series 2020 A Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail or electronic transmission, or in such other manner as is customary in the municipal finance industry at the time of such redemption, at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2020 A Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar.

All official notices of redemption shall be dated and shall state:

- (1) The redemption date,
- (2) The redemption price,
- (3) If less than all outstanding Series 2020 A Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2020 A Bonds to be redeemed,
- (4) That on the redemption date the redemption price and interest accrued will become due and payable upon each such Series 2020 A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) The place where such Series 2020 A Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and
- (6) Such other information, if any, as shall be required for DTC-Eligible Bonds. If funds sufficient to redeem all Series 2020 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the redemption date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2020 A Bonds called for redemption of such fact.

### **Book-Entry Only System**

The Series 2020 A Bonds will be issued as fully registered Series 2020 A Bonds without coupons, in denominations of \$5,000 or any integral multiples thereof for any year of maturity. Interest on the Series 2020 A Bonds shall be payable by check or draft made payable and mailed by the Paying Agent, to the Registered Owner thereof as of the applicable Record Date (each May 15 and November 15) or, at the option of any Registered Owner of \$1,000,000 or more of the Series 2020 A Bonds, by electronic or wire transfer to a domestic bank account specified in writing at least 5 days prior to the Record Date by such Registered Owner. Principal of, and interest and premium, if any, on, the Series 2020 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender thereof at the principal corporate trust office of the Paying Agent.

Ownership of any Series 2020 A Bond may be transferred only by transfer of registration presented to the Registrar by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney or legal representative. Upon any such transfer of a Series 2020

A Bond, there will be issued another Series 2020 A Bond or Series 2020 A Bonds, at the option of the Holder or transferee, of the aggregate principal amount equal to the unpaid amount of the transferred Series 2020 A Bond and of the same series, interest rate and maturity of said transferred Series 2020 A Bond. For every exchange or transfer of Series 2020 A Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. Any applicable tax, governmental charge or charge to reimburse the Registrar for any tax or governmental charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2020 A Bonds that have been called for redemption.

Purchasers of the Series 2020 A Bonds will not receive certificates representing their interests in the Series 2020 A Bonds purchased. The Series 2020 A Bonds are available in book-entry form only and will be registered in the name of “Cede & Co.” See “APPENDIX C – BOOK-ENTRY ONLY SYSTEM” herein. So long as Cede & Co. is the registered owner of the Series 2020 A Bonds as nominee of The Depository Trust Company, New York, New York (“DTC”), references herein to the Bondholders or registered owners of the Series 2020 A Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2020 A Bonds.

Neither the Issuer nor MUB can or does give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2020 A Bonds (1) payments of principal of or interest and premium, if any, on the Series 2020 A Bonds, (2) confirmation of beneficial ownership interest in the Series 2020 A Bonds, or (3) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2020 A Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current “rules” applicable to DTC are on file with the Securities and Exchange Commission, and the current “procedures” of DTC to be followed in dealing with Direct Participants are on file with DTC.

None of the Issuer, MUB or the Paying Agent shall have any responsibility or obligation to any Direct Participant, Indirect Participant, Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Participant, (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of or interest on the Series 2020 A Bonds, (3) the delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Series 2020 A Ordinance to be given to Bondholders, or (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2020 A Bonds.

## **SECURITY FOR THE SERIES 2020 A BONDS**

The Series 2020 A Bonds are limited special obligations of the Issuer and are payable as to principal, premium, if any, and interest solely from the sources described below. Neither the Issuer nor MUB is under any obligation to pay the Series 2020 A Bonds except from said sources.

### **Sources of Payment**

#### Pledge of Gross Revenues

The payment of the debt service on the Series 2020 A Bonds shall be secured forthwith equally and ratably by a first lien on and pledge of the Gross Revenues derived from the Combined Utility System, on a parity with the Prior Bonds, and any Additional Parity Bonds that may hereafter be issued by the Issuer as permitted by the Series 2020 A Ordinance, and the unexpended proceeds of the Series 2020 A Bonds. The Series 2020 A Bonds are also payable from the funds on deposit in the Series 2020 A Bonds Sinking Fund, and the Series 2020 A Reserve Policy pledged to, and any funds on deposit in, the Series 2020 A Bonds Reserve Account therein. See “APPENDIX E – SERIES 2020 A ORDINANCE” herein. Gross Revenues derived from the Combined Utility System in an amount sufficient to pay the principal of, and premium, if any, and interest on, the Series 2020 A Bonds and to make the payments into the Series 2020 A Bonds Sinking Fund and to pay all other payments provided for in the Series 2020 A Ordinance, and the funds on deposit in the Series 2020 A Bonds Sinking Fund, and the Series 2020 A Reserve Policy pledged to, and any funds on deposit in, the Series 2020 A Bonds Reserve Account therein, are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the Series 2020 A Bonds as the same become due and for other purposes provided in the Series 2020 A Ordinance. See “APPENDIX E – SERIES 2020 A ORDINANCE.”

**Bond Insurance.** The payment of the principal of and interest on the Series 2020 A Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2020 A Bonds by BAM. Information with respect to the Bond Insurer and the Series 2020 A Insurance Policy is set forth in “APPENDIX G – BOND INSURER,” and “APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY” herein.

### **Rate Covenant**

Prior to the issuance of the Series 2020 A Bonds, rates and charges for service from the Water System were approved by ordinance enacted by the City Council on April 16, 2019, and went into immediate effect except for the area previously served by the River Road Public Service District, which went into effect on October 22, 2019 on the closing of the acquisition of the accounts previously served by the River Road Public Service District, and the rates and charges for service from the Sewer System were approved by ordinance enacted by the City Council on February 2, 2016, and went into effect on July 1, 2016, and the rates and charges for service from the Stormwater System were approved by ordinance enacted by the City Council on February 18, 2018 and went into immediate effect, all in the manner and form required by law. See “STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES” herein. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the Combined Utility System sufficient to make the prescribed payments into the funds and accounts created under, or controlled by, the Series 2020 A Ordinance, the Prior Ordinances and the ordinances authorizing any hereinafter issued Additional Parity Bonds and to pay all Operating Expenses of the Combined Utility System. The Issuer has covenanted that such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer covenants and agrees in the Series 2020 A Ordinance that the schedule or schedules of rates and charges for the Combined Utility System from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 115% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year. See “APPENDIX E – SERIES 2020 A ORDINANCE” herein.

### **Series 2020 A Bonds Reserve Account**

The Series 2020 A Bonds Reserve Requirement is \$ \_\_\_\_\_, which is equal to the least of (i) 10% of the original stated principal amount of the Series 2020 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2020 A Bonds in any Fiscal Year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2020 A Bonds. The Issuer will obtain a Municipal Bond Debt Service Reserve Insurance Policy from the Bond Insurer in the amount equal to the Series 2020 A Bonds Reserve Requirement which shall be pledged to the Series 2020 A Bonds Reserve Account (the “Series 2020 A Reserve Policy”). In the event funds in the Series 2020 A Bonds Sinking Fund are insufficient to pay the principal of and/or interest on the Series 2020 A Bonds, the Paying Agent shall submit a Notice of Nonpayment to the Bond Insurer, which will, pursuant to the Series 2020 A Reserve Policy, pay the Paying Agent sufficient amounts to make payments of principal of and/or interest on the Series 2020 A Bonds as the same becomes due, subject to the Series 2020 A Reserve Policy. If the Series 2020 A Reserve Policy is not in effect, the Paying Agent shall withdraw cash from the Series 2020 A Bonds Reserve Account for transfer to the Series 2020 A Bonds Sinking Fund.

Information with respect to the Bond Insurer and the Series 2020 A Reserve Policy is set forth in “APPENDIX G – BOND INSURER” and “APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY” herein. Under the Series 2020 A Reserve Policy, the Issuer is required to repay any draws upon the Series 2020 A Reserve Policy and any administrative expenses incurred by Bond Insurer, together with interest on the draws and the administrative expenses (collectively, the “Policy Costs”). Repayment of the Policy Costs must commence in the first month following each draw on the Series 2020 A Reserve Policy, and each monthly payment must be in an amount at least equal to 1/12th of the aggregated Policy Costs related to such draw.

The amount available under the Series 2020 A Reserve Policy will be reduced by, and to the extent of, any payment made pursuant to the Series 2020 A Reserve Policy. Amounts equal to Policy Costs paid to BAM, will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Series 2020 A Reserve Policy will be increased by a like amount, subject to the terms of the Series 2020 A Reserve Policy. All cash and investments, if any, in the Series 2020 A Bonds Reserve Account shall be transferred to the Series 2020 A Bonds Sinking Fund for payment of the debt service on the Series 2020 A Bonds before any draw may be made on the Series 2020 A Reserve Policy. The Issuer does not expect there to be any cash or investments in the Series 2020 A Bonds Reserve Account.

If the Series 2020 A Reserve Policy is not in effect, in the event of a transfer from the Series 2020 A Bonds Reserve Account to the Series 2020 A Bonds Sinking Fund as aforesaid, the Issuer shall restore the balance to the Series 2020 A Bonds Reserve Account in an amount up to the Series 2020 A Bonds Reserve Requirement. The transfer of any cash by the Issuer from the Series 2020 A Bonds Reserve Account to the Series 2020 A Bonds Sinking Fund shall be replenished over twelve (12) equal monthly payments.

The Issuer's obligation to repay the Policy Costs or to otherwise replenish the Series 2020 A Bonds Reserve Account will be secured only by the Gross Revenues, as defined in the Ordinance, derived from the Combined Utility System and the funds on deposit in the Renewal and Replacement Fund.

The Issuer shall be required to replace the Series 2020 A Reserve Policy, or fund the Series 2020 A Bonds Reserve Account with cash, only in the event that the Bond Insurer, or its successor or assign, ceases to be licensed by at least one state of the United States of America to provide such Series 2020 A Reserve Policy or similar insurance product. In such event, the Issuer shall have twelve (12) months after becoming aware of such event to either provide a new municipal bond debt service reserve insurance policy for, or deposit sufficient cash in, the Series 2020 A Bonds Reserve Account to satisfy the Series 2020 A Bonds Reserve Requirement therefore.

### **Working Capital Reserve**

Pursuant to Chapter 24, Article 1, Section (k) of the Code of West Virginia, 1931, as amended (the "State Code"), effective June 12, 2015, the Combined Utility System is required to "maintain a working capital reserve in an amount of no less than one eighth of actual annual operation and maintenance expense" (the "Working Capital Reserve"). The budget adopted by MUB for the July 1, 2020 to June 30, 2021 Fiscal Year includes the Working Capital Reserve. In the event that any audited or unaudited year-end financial statement of the Combined Utility System shall find that the Working Capital Reserve for such Fiscal Year was insufficient, such finding shall not be an event of default with respect to the Series 2020 A Bonds.

### **Application of Gross Revenues**

The entire Gross Revenues derived from the operation of the Combined Utility System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first each month, transfer from the Revenue Fund and, simultaneously, remit to the Paying Agent: (i) for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the interest on the Prior Bonds; and (ii) commencing six (6) months prior to the first interest payment date of the Series 2020 A Bonds, for deposit in the Series 2020 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2020 A Bonds on the next ensuing semiannual interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 2020 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than six (6) months, then such monthly payments shall be decreased or increased proportionately to provide, one (1) month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date. All payments of interest on the Prior Bonds and the Series 2020 A Bonds shall be pro rata.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, remit to the Paying Agent: (i) for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; and (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2020 A Bonds, for deposit in the Series 2020 A Bonds Sinking Fund and in the Series 2020 A Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2020 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 2020 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 12 months, then such monthly payments shall be decreased or increased proportionately to provide, one (1) month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

Monies in the Series 2020 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2020 A Bonds, whether by maturity or redemption prior to maturity and, with respect to the

Series 2020 A Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2020 A Bonds Reserve Account Requirement. Pending such use, such monies shall be invested in accordance with the Series 2020 A Ordinance.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, remit to the Paying Agent: (i) for deposit in the Reserve Accounts of the Prior Bonds, the amount required by the Prior Ordinances; and (ii) in the event that the Series 2020 A Reserve Policy is no longer in effect, for deposit in the Series 2020 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2020 A Bonds Reserve Account below the Series 2020 A Reserve Account Requirement or any withdrawal from the Series 2020 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2020 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2020 A Bonds Reserve Account is less than the Series 2020 A Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2020 A Bonds Reserve Account for deposit into the Series 2020 A Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2020 A Bonds Reserve Account to an amount equal to the Series 2020 A Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided, however, that if the shortfall in the Series 2020 A Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than four (4) equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2020 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2020 A Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2020 A Bonds Reserve Requirement.

Amounts deposited in, or pledged to, the Series 2020 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2020 A Bonds when due, when amounts in the Series 2020 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

(4) The Issuer shall next, each month, pay from the Revenue Fund the current Operating Expenses of the Combined Utility System.

(5) The Issuer shall next, from the monies remaining in the Revenue Fund, on the first day of each month, transfer to the Renewal and Replacement Fund a sum equal to not less than 2.5% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. Subject to the restrictions contained in the Prior Ordinances so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements and extensions to the Combined Utility System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required thereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) Whenever all of the required and provided for transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by the Act, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the Combined Utility System.

### **Enforcement of Collections**

The Issuer covenants in the Series 2020 A Ordinance to diligently enforce and collect all fees, rentals or other charges for the services and facilities of the Combined Utility System and to take all steps, actions and proceedings for the enforcement and collection of such fees, rentals and other charges that shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State. Such fees, rentals and charges, if not paid when due, shall, to the extent allowed by the Act, become a lien on the premises served by the Combined Utility System.

The Issuer further covenants and agrees that it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the Combined Utility System and will not restore such services of the Combined Utility System until

all billing for charges for the services and facilities of the Combined Utility System, including penalties and reconnect fees, have been fully paid, or the customer has entered into a payment agreement. For additional information on MUB's collection policy and history, see "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – MUB Retail Customer Collection Process" and "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – MUB Retail Customer Uncollectible Accounts" herein.

As discussed in "RISK FACTORS – Coronavirus," infra, pursuant to the urging of the West Virginia Public Service Commission, MUB refrained from disconnecting water service for the failure to pay bills for that service for the period from March 13, 2020 to July 1, 2020. Furthermore, pursuant to the order of the West Virginia Public Service Commission, MUB is prohibited from charging late fees on unpaid invoices for that same period.

### **Additional Parity Bonds**

So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Additional Parity Bonds, as defined herein, payable out of the Gross Revenues of the Combined Utility System shall be issued after the issuance of the Series 2020 A Bonds pursuant to the Series 2020 A Ordinance, except under the conditions and in the manner set forth herein.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition, construction or equipping of additions, betterments or improvements for the Combined Utility System, refunding all or a portion of one or more series of the Series 2020 A Bonds, the Prior Bonds, and/or any series of Additional Parity Bonds hereafter issued, paying claims which may exist against the revenues or facilities of the Combined Utility System, or all of such purposes.

No such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the Combined Utility System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the date of issuance of such Additional Parity Bonds, shall be not less than 115% of the Maximum Annual Debt Service on the following:

- (1) The Series 2020 A Bonds then Outstanding;
- (2) The Prior Bonds then Outstanding;
- (3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and the Series 2020 A Ordinance then Outstanding; and
- (4) The Additional Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal), prior to the issuance of such Additional Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referenced may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountant, as stated in a certificate on account of increased rates, rentals, fees and charges for the Combined Utility System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal), prior to issuance of such Additional Parity Bonds.

The term "Additional Parity Bonds," as used herein, shall be deemed to mean additional bonds issued under the provisions and within the limitations of the Series 2020 A Ordinance, payable from the Gross Revenues of the Combined Utility System on a parity with the Series 2020 A Bonds and the Prior Bonds, and all the covenants and other provisions of the Series 2020 A Ordinance (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2020 A Bonds and the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time

within the limitations of and in compliance with the Series 2020 A Ordinance. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any series of Bonds over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the ordinance authorizing such Additional Parity Bonds required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Series 2020 A Ordinance and the Prior Ordinances.

The term “Additional Parity Bond” shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the Combined Utility System of which is subject to the prior and superior lien of the Series 2020 A Bonds on such Gross Revenues. The Issuer shall not issue any obligations whatsoever payable from the Gross Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Gross Revenues with the Series 2020 A Bonds except in the manner and under the conditions provided in the Series 2020 A Ordinance.

No Additional Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Series 2020 A Ordinance and the Prior Ordinances on account of the Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in the Series 2020 A Ordinance and the Prior Ordinances, shall have been made in full as required to the date of delivery of the Additional Parity Bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms in the Series 2020 A Ordinance and the Prior Ordinances and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency with respect to such payments and compliance. See “APPENDIX E – SERIES 2020 A ORDINANCE” herein.

Provided, however, that if the audit by an Independent Certified Public Accountant for the Combined Utility System for the Fiscal Year immediately preceding the date of the proposed issuance of Additional Parity Bonds states that the Issuer was not in compliance with the rate covenant in the Series 2020 A Ordinance for the year being audited and the Issuer has, as required by the Series 2020 A Ordinance, enacted a rate ordinance changing the rates and charges for the Combined Utility System to comply with the Series 2020 A Ordinance, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of the Series 2020 A Ordinance, so as to prevent the Issuer from issuing Additional Parity Bonds under the Series 2020 A Ordinance.

The Issuer anticipates that it will from time to time issue Additional Parity Bonds to finance the costs of additions, betterments and improvements to the Combined Utility System and to refinance the Bonds and any hereafter issued Additional Parity Bonds. See “OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM – Future Bond Issues” herein.

### **Special Limited Obligations**

The Series 2020 A Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness. No registered owner of any Series 2020 A Bond shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2020 A Bonds or the interest or any premium thereon, or to make any claim against and of the funds or revenues of Issuer, either existing as of the date of issuance of the Series 2020 A Bonds or in the future. MUB has no taxing power.

### **BOND INSURANCE AND RESERVE POLICY**

The Issuer has applied to, and executed commitments from, the Bond Insurer for the issuance, concurrently with the issuance of the Series 2020 A Bonds, of the Series 2020 A Insurance Policy and the Series 2020 A Reserve Policy. Information regarding the Bond Insurer, the Series 2020 A Insurance Policy and the Series 2020 A Reserve Policy, specifically including “APPENDIX G – BOND INSURER,” “APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY,” and “APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY,” has been furnished by the Bond Insurer for inclusion in this Official Statement. No representation is made by the Issuer nor the Underwriter as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of the Bond Insurer. Reference is made to “APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY” and “APPENDIX I – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY” for specimens of the Series 2020 A Insurance Policy and the Series 2020 A Reserve Policy, which should be read in their entirety.

### **Series 2020 A Insurance Policy**

Concurrently with the issuance of the Series 2020 A Bonds, the Bond Insurer will issue the Series 2020 A Insurance Policy. The Series 2020 A Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2020 A Bonds when due as set forth in the form of the Series 2020 A Insurance Policy included as an appendix in this Official Statement.

The Series 2020 A Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **Series 2020 A Reserve Policy**

Concurrently with the issuance of the Series 2020 A Bonds, the Bond Insurer will issue the Series 2020 A Reserve Policy for the Series 2020 A Bonds. The Series 2020 A Reserve Policy is issued in an amount equal to the Series 2020 A Bonds Reserve Requirement and is pledged to the Series 2020 A Bonds Reserve Account.

## **THE ISSUER AND THE MORGANTOWN UTILITY BOARD**

The City of Morgantown is the county seat of Monongalia County, located along the Monongahela River and close to the Pennsylvania border in north central West Virginia. Morgantown is the home of West Virginia University, the largest institution of higher education in the State with an annual enrollment of approximately 29,000 students. The City is the medical, cultural, and commercial hub of the region. The population of Morgantown is estimated to be 30,000.

Morgantown and Monongalia County offer “Mountains of Opportunity” for business development and expansion. It is one of the major growth areas in the State. Monongalia County was the only county in north central West Virginia to realize population growth for the last 20 years, and it has been one of the fastest growing counties in the State over the last two decades.

Morgantown and Monongalia County have consistently experienced some of the lowest unemployment rates in the State. Major employers in the area include WVU Medicine, the National Institute of Occupational Safety and Health (NIOSH), Mylan Pharmaceuticals, and West Virginia University.

One-half of the population of the United States and one-third of the population of Canada is within a 500-mile radius of Morgantown. The City is one day’s drive from 6 of the 8 largest U.S. metropolitan areas, 20 metro areas with populations of 1 million or more, and 22 of the nation’s top 35 industrial markets. See “APPENDIX A – THE CITY OF MORGANTOWN (WEST VIRGINIA) ECONOMIC AND DEMOGRAPHIC DATA” herein.

### **Audited Financial Statements**

The Series 2020 A Bonds are payable only from the Gross Revenues of the Combined Utility System, which are pledged to their payment, and the unexpended proceeds of the Series 2020 A Bonds. No other funds of the Issuer are available for payment of, or expected to be used to pay, the principal of, or interest on, the Series 2020 A Bonds. Likewise, the Gross Revenues of the Combined Utility System are not used for other purposes of the Issuer. Accordingly, detailed information regarding the Issuer has not been included in this Official Statement. The audited financial statements of MUB for the Fiscal Year ended June 30, 2019 are included in Appendix B herein. See “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2019” herein.

### **Morgantown Utility Board**

MUB is a municipally owned and operated utility providing potable water, sanitary sewer, and stormwater services directly to the residents of the Issuer and to customers in certain surrounding municipalities and unincorporated areas of Monongalia County, as well as bulk water sales and sanitary sewer transmission and treatment to certain potable water and wastewater utilities owned and operated by nearby municipalities and public service districts. MUB was created by ordinance enacted on September 1, 1987 by the Council of the Issuer merging the former Morgantown Water Commission and the Morgantown Sanitary Board to create the combined waterworks and sewerage system. On May 21, 2002, the Council of the Issuer enacted an ordinance creating a stormwater utility and expanding the authority of MUB to include stormwater management and control. On May 1, 2007, the Council enacted an ordinance combining the existing combined waterworks and sewerage system and the stormwater system to create the combined waterworks, sewerage and stormwater utility which presently exists.

MUB has provided bulk water sales and sanitary sewer transmission and treatment under longstanding mutually beneficial arrangements with surrounding public utilities (collectively, the “Resale Customers”). MUB benefits from strong working relationships with the Resale Customers, often providing other contract services such as repairs and customer billing. While MUB does not have long-term contracts with the Resale Customers, the practical constraints created by regulatory requirements, state utility regulation and the economies of scale which MUB enjoys would make any other arrangement for these bulk customers difficult to realize.

The Combined Utility System includes retail potable water service to approximately 27,300 connections and retail sewer service to approximately 23,000 service connections. MUB provides wholesale potable water and/or wastewater conveyance and treatment to a variety of surrounding public utilities which serve, in aggregate, over 13,000 customers in their respective service territories. The Stormwater System serves approximately 15,400 customers in the City and surrounding unincorporated areas.

MUB’s assets are valued at over \$370,000,000. See “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2019” herein. These assets include the main wastewater treatment plant in Star City, a wastewater treatment plant at Cheat Lake, and the water treatment plant in Morgantown. In addition, the Combined Utility System includes approximately 411 miles of water distribution lines, 372 miles of sewerage collection and transmission lines, and approximately 227 miles of stormwater management, conveyance and control facilities. MUB operates with approximately 149 employees.

### **MUB Board of Directors**

Pursuant to the Act and the MUB Ordinance, MUB is overseen and directed by a Board of Directors appointed by the City Council (the “Board”). The Board is comprised of five residential customers of MUB appointed for staggered terms of five years. In addition to being customers of the Combined Utility System, up to two MUB members may be residents of Monongalia County residing outside of the Issuer’s corporate boundaries. The remaining three members must be residents of the Issuer. The Board is responsible for the management, control and operation of the Combined Utility System. The Board elects a chairman and other officers from its members annually. The names, offices and summary biographical information of the current members of the Board are set forth below:

JT Straface was born and raised in Morgantown, has been a member of the Board since 2003, and currently serves as Board chairman. Mr. Straface is a graduate of Morgantown’s former St. Francis High School and West Virginia University School of Mines where he received a BS degree in mining engineering. Mr. Straface owns and operates a number of successful small businesses in the Morgantown area. Mr. Straface’s term expires on November 1, 2022.

Barbara Parsons is a native of Jackson County, WV and has lived in Morgantown for over fifty years. She has served as facilitator for the formation of the Greater Morgantown Metropolitan Planning Organization (MPO), was President of The United Way of Mon and Preston Counties, and was elected to serve on the Monongalia County Board of Education for 18 years, six as President. Dr. Parsons previously served ten years on the MUB board from 2000-2010. Dr. Parsons taught business and management courses in the School of Business and Economics at WVU and the College of Commerce at Fairmont State College (now Fairmont State University). She served as Vice President of Labor Relations at Fairmont General Hospital and retired after 20 years from Monongalia Health System. Dr. Parsons served in various positions on the Board of Lutheran Senior Services, which provides a full continuum of senior care offered throughout Western Pennsylvania. She completed her tenure as President of the West Virginia School Boards Association in June, 2018. As a consultant, Dr. Parsons provided services to organizations throughout West Virginia in human resources, small business management, and governance. She was appointed to fill the unexpired term of John Ganz, which term expires on November 1, 2020.

Tom Witt lives outside the municipal limits of Morgantown and previously served as the secretary-treasurer of the Cheat Lake Public Service District before its merger into MUB. Dr. Witt holds a BA from Oklahoma State University, and a MA and Ph.D. from Washington University in St. Louis, all in economics. Dr. Witt is an emeritus professor of Economics following a distinguished career with the West Virginia University College of Business and Economics. During his tenure with West Virginia University, he also served as director of the Bureau of Business and Economic Research and associate dean for research and outreach within the College. Dr. Witt is widely published and has testified before the U.S. Senate Committee on Energy and Natural Resources and the National Academy Committee on Identifying the Needs of the Forensic Science Community. Currently, Dr. Witt provides economic consulting services through Witt Economics, LLC. Dr. Witt was appointed to fill the unexpired term of Dr. Frank Scafella, which term expires on November 1, 2021.

Karen Kunz is an associate professor of public administration at West Virginia University where she teaches courses on public financial management and budgeting, public policy and advocacy, and civil disobedience. Her research interests include public finance and fiscal policy, fiscal federalism, and financial markets regulation. In addition, Dr. Kunz brings over 25 years of professional experience in the financial markets industry. She began her career in the municipal bond market before starting one of the first female-owned consulting firms in the industry. Her clients included institutional investors and traders, and boutique, regional and multinational firms. Dr. Kunz serves on the board of directors for the American Association of Budget and Program Analysts (AABPA) and Public Financial Publications (PFP), the American Civil Liberties Union (ACLU) and the West Virginia Center on Budget & Policy. Dr. Kunz's term expires on November 1, 2023.

Sarah Cayton is a Morgantown native and a graduate of West Virginia University. She holds a bachelors degree in Environmental Geoscience as well as a minor in Communications. Sarah worked as an AmeriCorps VISTA with Friends of Deckers Creek (FODC) before taking on the position of Water Remediation Project Manager with the group. Her outstanding work in this position ultimately led to her appointment as executive director of FODC. Ms. Cayton has also worked on soil remediation in Spelter, WV, cleaning up a community after contamination by a zinc smelting plant. Ms. Cayton is a member of the Morgantown Green Team as well as a new board member to her previous employer FODC. Ms. Cayton recently accepted a position with WVU's Water Research Institute where she works as a project manager. She has experience working with MUB on a number of projects, including annual rain barrel workshops. Ms. Cayton's term expires on November 1, 2024.

### **MUB Professional Management**

#### Timothy L. Ball – General Manager

Timothy L. Ball was appointed as the General Manager of MUB in October, 2010. Before serving as the General Manager, Mr. Ball served as the Assistant General Manager and Chief Engineer of MUB for 14 years. Mr. Ball plans to retire as of January 5, 2021.

Mr. Ball joined MUB as its Senior Engineer in early 1988. He was instrumental in the development of operating plans and upgrade projects for the newly expanded utility. He contributed similarly to the startup of the stormwater utility at MUB.

Mr. Ball holds BS and MS degrees in Civil Engineering from West Virginia University. He earned a MBA from WVU in 2000. He is a registered Professional Engineer and is also a licensed Land Surveyor. He has taught both civil engineering and business management courses at his alma mater.

Mr. Ball was appointed as an inaugural member of the West Virginia State Public Water System Supply Study Commission. That Commission was created in 2014 by Senate Bill 373, in response to a chemical leak that disrupted water supply to 300,000 persons in and around Charleston, WV. The Commission was charged with the responsibility to advise and report to the Legislature on matters related to implementation of Senate Bill 373 and protection of the State's drinking water sources.

Mr. Ball has been recognized by his peers as a leader in the utility industry. He served as Chair of the West Virginia section of the American Water Works Association (AWWA) in 1992, and served on the National Board of Directors of AWWA from 2000 to 2003. In 1994, he received from AWWA the George Warren Fuller Award for service to the water industry. He was recognized as the Young Engineer of the Year in 1988 by the West Virginia Society of Professional Engineers, and is a member of the Tau Beta Pi and Chi Epsilon engineering honoraries. Mr. Ball actively participates in several other utility industry groups including the West Virginia Rural Water Association, the Water Environment Federation, and the West Virginia Municipal Water Quality Association. He often speaks to state and national water industry audiences on the topics of leadership, effectiveness, strategic planning, and stormwater management.

#### Michael W. McNulty – Deputy General Manager

On September 9, 2020, the Board named Michael W. McNulty Deputy General Manager of MUB, commencing in mid-October 2020, and announced that he would become General Manager upon Timothy Ball's retirement on January 5, 2021. Prior to joining MUB, Mr. McNulty served as General Manager of the Putnam Public Service District, a West Virginia public service district located in Scott Depot, West Virginia, that provides water and sewer service to customers in Putnam County, West Virginia. During Mr. McNulty's 31-year professional career, he has served as assistant general manager of the Logan County Public Service District, technical analyst for the Public

Service Commission of West Virginia, and Executive Director of the West Virginia Rural Water Association. He also currently serves as President of the West Virginia Rural Water Association. Mr. McNulty holds a BS in Mechanical Engineering from West Virginia Institute of Technology and an MS in Public Administration from Marshall University.

#### James Fetty – Assistant General Manager/Chief Engineer

James W. Fetty, Jr. was appointed Assistant General Manager/Chief Engineer of MUB in March, 2020. Before serving as Assistant General Manager/Chief Engineer, Mr. Fetty served as a Senior Engineer for MUB for 8 years. Prior to joining MUB he worked for the consulting firm of Hatch Mott MacDonald for 3 years as a Project Manager/Engineer.

Mr. Fetty holds a Bachelor of Science degree in Civil Engineering from West Virginia University. He graduated with honors from WVU in May 1982. He is a registered Professional Engineer in West Virginia and Pennsylvania.

Mr. Fetty brings extensive experience in the areas of water, sanitary sewer, and stormwater as he has focused much of his career in the municipal engineering field. He served as City Engineer/Utility Engineer for the City of Fairmont, West Virginia for 21 years.

Mr. Fetty oversees an in-house engineering staff that designs utility system components, oversees the repair of systems, solves complex issues, engages contractors, protects resources, and provides customers professional advice. This in-house engineering capability keeps costs down and provides the community with a significant knowledge base.

#### Debbie Osborne – Comptroller

Debbie Osborne is the Comptroller of MUB. She manages both the Financial and Customer Information Systems. She is responsible for the preparation of budgets and financial reporting statements as well as all business and accounting operations of MUB.

She and her staff are responsible for the customer service functions for all retail water, sewer, and stormwater customers as well as providing these services for many neighboring utilities.

Ms. Osborne holds the degrees of BS in Business Administration and MPA, both awarded by West Virginia University. Prior to joining MUB in 1989, she worked for six years as an accountant for West Virginia University.

#### Dave Rife – Distribution Superintendent

Dave Rife manages MUB's Distribution Department which is responsible for the maintenance and construction of the water distribution and sewerage collection systems. In addition, Mr. Rife is responsible for MUB's vehicle fleet and its inventory and purchasing operation. Mr. Rife has been a MUB employee since 1983. He has worked at nearly every assignment in the department that he now manages.

#### Greg A. Shellito – Manager of Treatment and Production Facilities

As Manager of Treatment and Production Facilities, Greg A. Shellito manages all of MUB's treatment and pumping operations. He and his staff are responsible for the operation and maintenance of the Morgantown Water Treatment Plant, the Morgantown Wastewater Treatment Plant, and the Cheat Lake Wastewater Treatment Plant. In addition, Mr. Shellito is responsible for 17 pumping systems serving 35 water storage tanks throughout the water distribution system, totaling 73 wastewater lift stations in the two collection systems. Mr. Shellito also acts as MUB liaison to regulating federal and state agencies.

Prior to appointment his current position, Mr. Shellito served as Superintendent and Plant Engineer of the Wastewater Treatment Plant. He holds BS degrees in biology and chemistry from Gannon University in Erie, Pennsylvania, and a MS in biology from West Virginia University. Mr. Shellito is an Environmental Engineer and is certified as a Registered Engineer in Training. He has been a licensed Class IV wastewater treatment plant operator since 1988.

Mr. Shellito has published several articles in national professional journals. He is a member of several professional associations, including the West Virginia Water Environment Association, which he served as President, the American Water Works Association and the Rural Water Association.

#### Chris Dale – Director of Communications

Chris Dale joined MUB in 2012 and provides oversight of public outreach activities. Prior to joining MUB, he served as a visiting instructor at West Virginia University for 12 years and as a public affairs officer for the American Red Cross for 13 years where he managed crisis and emergency communications. He is a veteran of the US Army having served as a medic in the 3rd Infantry Division.

Mr. Dale maintains mub.org, ensures that area residents remain informed of MUB activities, maintains relationships with members of the media and community leaders, continuously monitors traditional and social media, plans and conducts various outreach events, consults with MUB leadership on internal/external impacts of policy changes, provides customer service for demanding customers as well as 24/7 social media support, writes and designs various internal and external communication vehicles, and maintains MUB's crisis communications plan.

Mr. Dale holds a BA in Psychology and a MS in Journalism with a specialization in public relations, both from West Virginia University.

#### Jeffrey A. Ray – General Counsel

Jeffrey Ray joined MUB as General Counsel in May, 2019, and is responsible for managing all legal affairs of the organization. Mr. Ray brings extensive experience to MUB in a wide variety of legal matters, including litigation, corporate governance, commercial transactions, law department management and regulatory issues. Prior to joining MUB, Mr. Ray's professional career included approximately 15 years in private practice as well as an additional ten years serving as general counsel in the information technology/broadband/telecommunications sectors.

During his legal career, Mr. Ray also served as an adjunct professor at the Reed College of Media at West Virginia University where he taught Law of the Media, a course primarily focused on the First Amendment to the United States Constitution. He has served on the boards of directors for Operation Welcome Home and the Morgantown area chapter of the American Red Cross.

Mr. Ray graduated with honors from West Virginia University in 1989 with a Bachelor of Science in Sport Management. He earned his juris doctorate degree from the West Virginia University College of Law in 1993 where he earned membership in the Order of Barristers national honor society. Mr. Ray currently serves on the Board of Directors of the West Virginia Rural Water Association and is an active participant in the West Virginia Municipal Water Quality Association.

#### **MUB Personnel**

MUB employs approximately 149 individuals. Of that number, approximately 40 are assigned to the Treatment and Production Facilities Department, approximately 60 are assigned to the Distribution Department and 49 are assigned to Administration. All employees are available to work on any aspect of the three utilities, while employee and equipment time, as well as materials, are tracked and allocated to each of the three utilities. Employees are cross-trained in each department and succession plans for key leadership positions throughout MUB are regularly reviewed and updated.

Employees of MUB are employed directly by MUB, not the Issuer. MUB employees are not represented by a collective bargaining unit. The City Charter expressly prohibits employees of the City and MUB from organizing collective bargaining units. MUB employees are required to participate in group medical insurance and retirement plans.

#### **MUB Business Philosophy**

MUB has several keystone practices that guide its business approach. One such practice is minimizing reliance upon outside services, and doing as much as possible with MUB staff. In addition to staffing for the regular operation and maintenance the Combined Utility System requires, MUB maintains sufficient personnel and equipment to field two to three full time construction crews. Doing so allows MUB to construct system extensions and perform

renewal and replacement work at lower cost, and with less preparation time, than would be required using outside contractors. Engineering staffing is similarly robust and beneficial.

The pursuit of value, rather than minimizing immediate cost, is also a key practice of MUB. An easy example is the purchase of premium efficiency pump motors. A premium efficiency pump motor may cost 10% more than a standard efficiency motor, but will yield reduced electrical consumption to pay for its incremental cost in just two or three years, while providing continued savings for decades more. MUB invests for value at every purchase opportunity.

Additionally, MUB requires that any expansion of the Combined Utility System be self-supporting. Line extensions to newly developed areas are designed and constructed by MUB at the expense of the developer. Line extensions to existing unserved areas are designed and constructed by MUB at the expense of the new customers to be served. Acquisition of other systems is accomplished at a zero purchase price other than assumption of the acquired system's existing debt, in which case the associated debt service continues to be paid by the customers on the acquired system through a separate rate schedule for the acquired area.

## **MUB Governance**

The municipal governmental structure in which MUB was created and continues to operate is designed to provide professional, apolitical, oversight and management of the Combined Utility System. The Board, while appointed by City Council, operates with near total autonomy. The only aspects of MUB which remain subject to City Council approval are appointment of Board members, establishment of rates and charges, the issuance of bonds, and approval of large capital projects, all of which require the enactment of an ordinance by City Council.

As a subunit of the City, MUB does not participate in political issues. MUB does, however, regularly work with political bodies to further MUB's mission.

For example, municipal ordinances to establish enforceable standards related to utility services are routinely drafted and proposed by MUB, and subsequently implemented by City Council as needed. Similarly, MUB's occasional acquisition of surrounding utilities requires and receives the cooperation of The County Commission of Monongalia County.

Similarly, MUB works closely with the West Virginia Legislature occasionally on its own behalf, but more often through the West Virginia Rural Water Association and/or the West Virginia Municipal League. MUB is well regarded in both organizations by virtue of its recognized leadership in the State and region. Two legislative initiatives in which MUB played a key role deserve special mention.

The first is House Bill 4619, enacted March 2002, which allowed the creation of stormwater utilities in West Virginia. MUB recognized early when regulations applying to municipal separate storm sewer systems (known as "MS4's") were newly issued, that MUB was better suited to meet the regulations than was the Morgantown Street Department which had responsibility for the Morgantown storm system at the time. MUB drafted a bill, obtained sponsors, and advocated successfully at the State Legislature for its passage, modifying the State code to authorize creation of locally owned and operated stormwater utilities. MUB then worked with City Council to enact the necessary ordinances to create the State's first stormwater utility under MUB. Since that time, MUB's Stormwater System has served as a model for others in the State and region.

The second is Senate Bill 234, enacted in March 2015, with further clarifications enacted March 2017 (collectively, "Senate Bill 234") which reduced the regulatory authority of the Public Service Commission of West Virginia ("PSC") over the state's largest publicly owned water and/or sewer utilities. Excessive regulation of rates by the PSC was widely perceived to have suppressed and/or discouraged justifiable rate increases, thus leaving utilities without adequate revenues to fund proper operation and maintenance activities. Similarly, the PSC capital project approval process was widely viewed as an unproductive and expensive review that added little or no value, but often delayed work as much as a year. In 2014, a report by an internationally recognized credit rating agency cited excessive regulation as a significant credit risk arising from West Virginia's regulatory scheme. To address this issue, MUB drafted and proposed to the Legislature Senate Bill 234, and working with its partners at West Virginia Rural Water Association and West Virginia Municipal League, obtained multiple sponsors from the leadership in both houses of the Legislature, and successfully advocated for its passage. See "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – State Utility Regulation" and "STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES – Rate Setting and Project Approval Process" herein.

The above examples illustrate MUB’s willingness and ability to achieve legislative solutions to issues. MUB also monitors legislation each year and provides insight to the West Virginia Legislature on the potential impact of proposed bills.

### **MUB Fiscal Policies**

The Board has adopted a comprehensive Statement of Investment Policy. The statement outlines broad investment policies to include delegation of certain authority to the General Manager, investment objectives, collateralization of deposits, protection of funds, permitted investments, investment of bond proceeds and investment reporting.

The Board recently formalized MUB’s long-standing practices regarding cash management through the adoption of a Liquidity Policy. The Liquidity Policy establishes a stated goal for MUB to maintain between 110 – 140 days of operation and maintenance expense in unrestricted cash and cash equivalents available for unexpected economic and operational events. The Liquidity Policy assumes daily operation and maintenance expense of \$40,000, which results in available liquid assets of \$4,400,000 to \$5,600,000.

### **MUB PENSION OBLIGATIONS**

As authorized by state law and required by City ordinance, MUB employees are enrolled in The City of Morgantown Employees’ Retirement and Benefit Fund. Employees contribute 6% of their compensation. MUB likewise contributes an actuarially determined share toward each employee account, currently at 15.98% of payroll. See “THE ISSUER AND THE MORGANTOWN UTILITY BOARD – MUB Personnel” herein.

The pension fund is managed by an elected Board of Trustees and its agents. The fund is estimated to be 80% funded as of June 30, 2019. MUB’s share of the unfunded pension liability as of June 30, 2019 was \$8,500,000.

As of the July 1, 2011 actuarial valuation, the Board of Trustees adopted a closed amortization period of 25 years to amortize the unfunded liability. As of the July 1, 2016 valuation, the remaining amortization period is 20 years.

Of the 15.98% of payroll currently contributed by MUB, 9.01% goes toward the amortized unfunded liability. The remaining 6.98% of payroll is MUB’s actuarially determined normal contribution.

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**THE COMBINED UTILITY SYSTEM**

**MUB Combined Utility System Retail Customer History**

The average number of retail customers for the Combined Utility System for the past ten (10) Fiscal Years are as follows:

| <i>Fiscal Year<br/>(ended June<br/>30)</i> | <i>Water<br/>Customers</i> | <i>Water<br/>Growth<br/>Percentage</i> | <i>Sewer<br/>Customers</i> | <i>Sewer<br/>Growth<br/>Percentage</i> | <i>Stormwater<br/>Customers</i> | <i>Stormwater<br/>Growth<br/>Percentage</i> |
|--------------------------------------------|----------------------------|----------------------------------------|----------------------------|----------------------------------------|---------------------------------|---------------------------------------------|
| 2010                                       | 23,786                     | 1.9%                                   | 18,105                     | 3.5%                                   | 14,428                          | 0.8%                                        |
| 2011                                       | 24,129                     | 1.4%                                   | 18,747                     | 3.5%                                   | 14,535                          | 0.7%                                        |
| 2012                                       | 24,509                     | 1.6%                                   | 19,063                     | 1.7%                                   | 14,616                          | 0.6%                                        |
| 2013                                       | 25,261                     | 3.1%                                   | 19,752                     | 3.6%                                   | 14,620                          | 0.0%                                        |
| 2014                                       | 25,459                     | 0.8%                                   | 20,495                     | 3.8%                                   | 14,623                          | 0.0%                                        |
| 2015                                       | 25,748                     | 1.1%                                   | 21,827                     | 6.5%                                   | 14,850                          | 1.6%                                        |
| 2016                                       | 25,909                     | 0.6%                                   | 22,124                     | 1.4%                                   | 15,173                          | 2.2%                                        |
| 2017                                       | 26,200                     | 1.1%                                   | 22,575                     | 1.9%                                   | 15,260                          | 0.5%                                        |
| 2018                                       | 26,315                     | 0.5%                                   | 22,739                     | 0.7%                                   | 15,357                          | 0.6%                                        |
| 2019                                       | 26,353                     | 0.1%                                   | 22,838                     | 0.4%                                   | 15,387                          | 0.2%                                        |

**MUB Water System**

The Water System provides retail potable water service to approximately 27,300 customers. Water System facilities include, but are not limited to, approximately 411 miles of transmission pipe, a 16 million gallon per day (MGD) water treatment plant, 17 booster pumping stations and 35 water storage tanks with a combined volume of 21 million gallons. Raw water is currently supplied through an intake on the Monongahela River and Cobun Creek Reservoir #1. The water treatment plant was recently significantly upgraded, the design for which began in 2009. Construction of the overall water treatment plant upgrade began in 2010 and was completed in 2012. The project replaced the existing Monongahela River intake structure, added a membrane filtration process, expanded clear well storage and updated and improved the various chemical feed systems. The improved water treatment plant has an immediate capacity of 16 MGD, and can be incrementally expanded to 24 MGD.

**MUB Water System – Service Area**

MUB’s Water System retail service area:

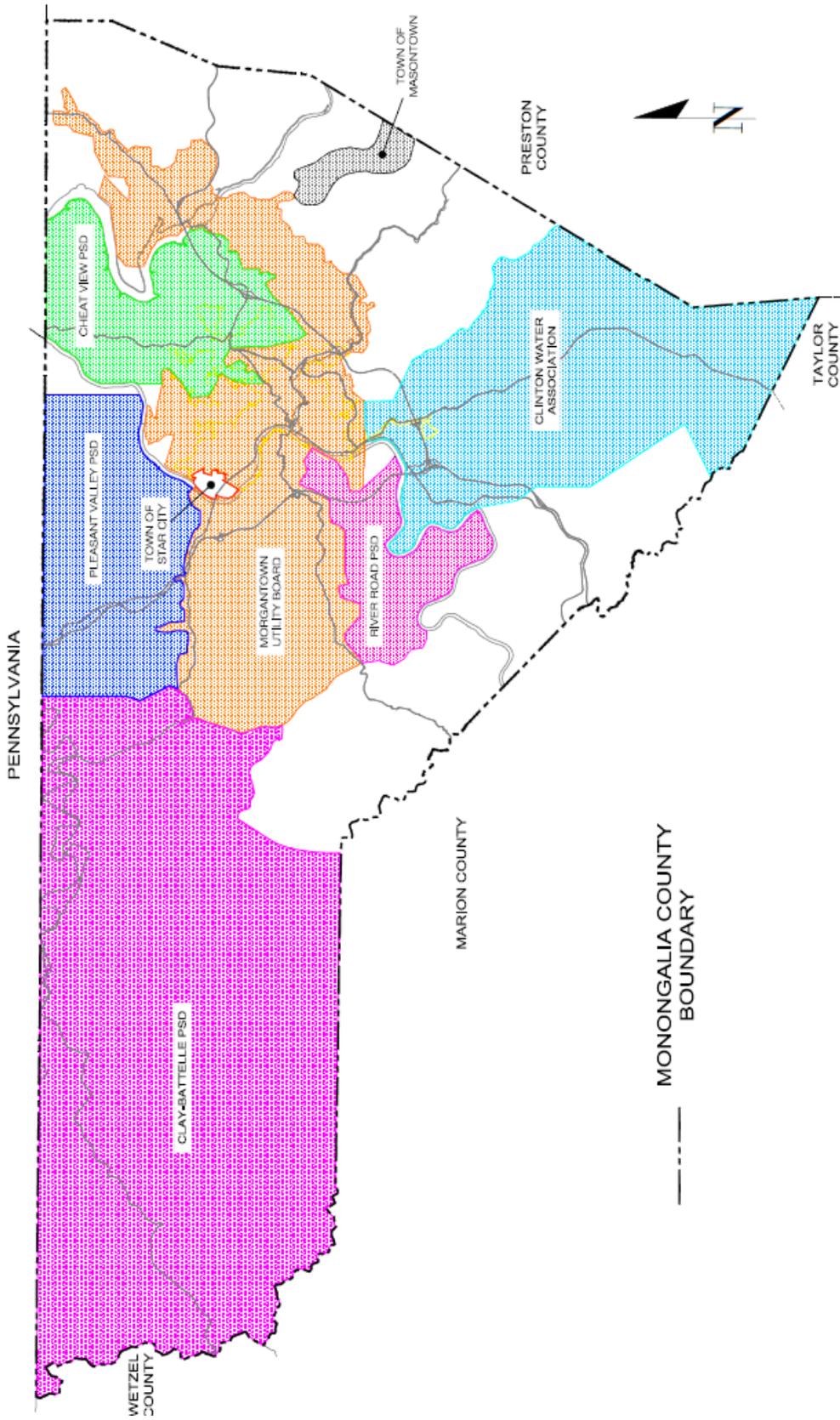
- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 63 square miles; and
- includes a diversified group of healthcare, higher education, manufacturing, and service industry customers.

In addition to MUB’s retail customers, MUB sells bulk treated water to six (6) separate adjacent public water utilities: Cheat View Public Service District, Clinton Water Association, Clay Battelle Public Service District, Pleasant Valley Public Service District, the Town of Masontown, and the Town of Star City, (collectively, the “Water Resale Customers”). The Water Resale Customers utilize the purchased water to provide retail potable water service to over 13,000 customers within their respective service territories.

In April 2019, the Issuer and MUB entered into an Asset Purchase Agreement with the River Road Public Service District (“River Road PSD”) to acquire the water storage and distribution assets of the River Road PSD (the “River Road Water System”). As consideration for the acquisition, the Issuer assumed the existing debt of River Road PSD which is secured by the River Road Water System. MUB’s acquisition of the River Road Water System was approved by the Public Service Commission of West Virginia, as well as the West Virginia Water Development Authority as the holder of the water revenue bonds of River Road PSD. Upon completion of the acquisition of the River Road Water System on October 22, 2019, the Issuer amended the rates and charges of the Water System to provide that the customers of the River Road Water System continue paying the costs for operation and maintenance of, and debt service related to, the River Road Water System. The other customers of MUB do not contribute towards the costs of the River Road Water System.

Set forth on the next page is a map which reflects the retail service area of the Water System, as well as the general geographic boundaries of the Water Resale Customers.

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As noted, as of October 22, 2019, the River Road PSD became part of MUB’s Water System via the acquisition thereof.

## MUB Water System – Customer Data

The following table sets forth the total potable water sales by MUB in each of the last ten (10) Fiscal Years:

| <i>Fiscal Year<br/>(ended June<br/>30)</i> | <i>Residential</i> | <i>Commercial</i> | <i>Industrial</i> | <i>Public<br/>Authorities</i> | <i>Other/Resale</i> | <i>Total</i> |
|--------------------------------------------|--------------------|-------------------|-------------------|-------------------------------|---------------------|--------------|
| 2010                                       | \$2,343,293        | \$984,890         | \$265,091         | \$531,366                     | \$1,197,923         | \$5,322,563  |
| 2011                                       | \$2,392,492        | \$1,033,362       | \$285,208         | \$518,649                     | \$1,178,934         | \$5,408,645  |
| 2012                                       | \$3,223,346        | \$1,494,901       | \$455,788         | \$718,485                     | \$1,733,959         | \$7,626,479  |
| 2013                                       | \$4,145,424        | \$2,103,342       | \$638,978         | \$989,990                     | \$2,232,964         | \$10,110,698 |
| 2014                                       | \$4,095,556        | \$2,113,502       | \$672,972         | \$978,035                     | \$2,324,122         | \$10,184,187 |
| 2015                                       | \$4,072,301        | \$1,955,425       | \$824,349         | \$916,151                     | \$2,354,942         | \$10,123,168 |
| 2016                                       | \$4,035,841        | \$1,934,279       | \$800,615         | \$919,494                     | \$2,275,727         | \$9,965,956  |
| 2017                                       | \$5,124,413        | \$2,433,417       | \$1,100,497       | \$1,261,319                   | \$2,990,082         | \$12,909,727 |
| 2018                                       | \$5,186,834        | \$2,420,318       | \$1,107,962       | \$1,150,562                   | \$3,134,893         | \$13,000,569 |
| 2019                                       | \$5,060,384        | \$2,521,799       | \$1,008,158       | \$1,091,231                   | \$2,985,856         | \$12,667,428 |

## MUB Water System – Largest Customers

The following table sets forth the ten largest customers of the Water System and related annual sales for the Fiscal Year ended June 30, 2019.

|    | <i>Customer</i>              | <i>Consumption (gallons in<br/>1,000s)</i> | <i>Sales</i>       |
|----|------------------------------|--------------------------------------------|--------------------|
| 1  | Cheat View PSD*              | 300,525                                    | \$1,016,614        |
| 2  | Clinton Water Association*   | 251,248                                    | \$850,550          |
| 3  | West Virginia University     | 193,581                                    | \$726,606          |
| 4  | Mylan Pharmaceuticals        | 123,727                                    | \$429,283          |
| 5  | SI Group LLC                 | 100,070                                    | \$341,300          |
| 6  | Clay Battelle PSD*           | 93,894                                     | \$317,705          |
| 7  | WVU Hospitals                | 86,587                                     | \$303,922          |
| 8  | Pleasant Valley PSD*         | 80,096                                     | \$275,050          |
| 9  | Morgantown Energy Associates | 69,601                                     | \$235,837          |
| 10 | Star City Water System*      | 67,044                                     | \$230,130          |
|    | <b>Totals</b>                | <b>1,366,373</b>                           | <b>\$4,726,997</b> |

\*Resale Customer

The total Water System Gross Revenue for the Fiscal Year ended June 30, 2019 was \$12,667,428. The ten largest water users represented 37% of the Water System Gross Revenue.

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**MUB Water System – Water Resale Customers**

The following tables set forth information regarding MUB’s Water Resale Customers for the Fiscal Years indicated.

**MUB Water Resale Customers – Resale Customer Count\***

| <i>Resale Customer</i>      | <i>Fiscal Year 2018</i> | <i>Fiscal Year 2017</i> | <i>Fiscal Year 2016</i> | <i>Fiscal Year 2015</i> | <i>Fiscal Year 2014</i> |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Cheat View PSD              | 4,136                   | 4,025                   | 3,669                   | 3,721                   | 3,512                   |
| Clinton Water Ass’n         | 3,762                   | 3,675                   | 3,602                   | 3,524                   | 3,537                   |
| Clay Battelle PSD           | 1,634                   | 1,639                   | 1,644                   | 1,647                   | 1,646                   |
| Pleasant Valley PSD         | 1,010                   | 950                     | 947                     | 947                     | 945                     |
| Town of Masontown           | 912                     | 912                     | 921                     | 921                     | 910                     |
| Town of Star City           | 946                     | 976                     | 931                     | 900                     | 886                     |
| River Road PSD <sup>1</sup> | 791                     | 781                     | 781                     | 774                     | 750                     |
| <b>Total</b>                | <b>13,191</b>           | <b>12,958</b>           | <b>12,495</b>           | <b>12,434</b>           | <b>12,186</b>           |

<sup>1</sup>As of October 22, 2019, the Issuer acquired the water storage and distribution assets of the River Road PSD. As a result, River Road PSD is no longer be a Water Resale Customer. See “THE COMBINED UTILITY SYSTEM - MUB Water System – Service Area” herein.

\* Information gathered from Annual PSC Reports of Resale Customers.

**MUB Water Resale Customers – Annual Gallons Bulk Water Purchased from MUB (000’s omitted)\*\***

| <i>Resale Customer</i> | <i>Fiscal Year 2019</i> | <i>Fiscal Year 2018</i> | <i>Fiscal Year 2017</i> | <i>Fiscal Year 2016</i> | <i>Fiscal Year 2015</i> | <i>Fiscal Year 2014</i> |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Cheat View PSD         | 300,525                 | 310,694                 | 273,339                 | 266,858                 | 252,158                 | 243,707                 |
| Clinton Water Ass’n    | 251,248                 | 260,692                 | 259,635                 | 250,998                 | 260,134                 | 262,033                 |
| Clay Battelle PSD      | 93,894                  | 103,432                 | 111,842                 | 123,838                 | 124,343                 | 135,788                 |
| Pleasant Valley PSD    | 80,096                  | 96,042                  | 87,425                  | 83,350                  | 108,955                 | 115,482                 |
| Town of Masontown      | 49,348                  | 41,521                  | 40,192                  | 42,701                  | 45,016                  | 40,794                  |
| Town of Star City      | 67,044                  | 67,054                  | 72,348                  | 70,841                  | 77,925                  | 78,984                  |
| River Road PSD         | 37,668                  | 38,356                  | 39,952                  | 51,643                  | 46,288                  | 41,902                  |
| <b>Total</b>           | <b>879,823</b>          | <b>917,791</b>          | <b>884,733</b>          | <b>892,229</b>          | <b>914,819</b>          | <b>918,690</b>          |

\*\* Source: Morgantown Utility Board

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MUB Water Resale Customers – Annual Bulk Water Purchases from MUB\*\*

| <i>Resale Customer</i> | <i>Fiscal Year 2019</i> | <i>Fiscal Year 2018</i> | <i>Fiscal Year 2017</i> | <i>Fiscal Year 2016</i> | <i>Fiscal Year 2015</i> | <i>Fiscal Year 2014</i> |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Cheat View PSD         | \$1,016,614             | \$1,050,884             | \$923,732               | \$678,045               | \$645,044               | \$619,372               |
| Clinton Water Ass'n    | \$850,550               | \$883,506               | \$877,577               | \$637,888               | \$662,239               | \$667,767               |
| Clay Battelle PSD      | \$317,705               | \$349,847               | \$377,521               | \$314,275               | \$315,531               | \$344,507               |
| Pleasant Valley PSD    | \$275,050               | \$328,788               | \$297,204               | \$221,809               | \$299,439               | \$310,514               |
| Town of Masontown      | \$167,585               | \$141,201               | \$136,521               | \$108,998               | \$113,725               | \$104,587               |
| Town of Star City      | \$230,130               | \$244,905               | \$247,874               | \$184,411               | \$205,611               | \$203,983               |
| River Road PSD         | \$128,222               | \$130,541               | \$135,700               | \$130,028               | \$118,073               | \$107,129               |
| <b>Total</b>           | <b>\$2,985,856</b>      | <b>\$3,129,672</b>      | <b>\$2,996,129</b>      | <b>\$2,275,454</b>      | <b>\$2,359,662</b>      | <b>\$2,357,859</b>      |

For the Fiscal Year ending June 30, 2019, sales of bulk water to the Water Resale Customers represented 23% of the Water System's Gross Revenue.

\*\* Source: Morgantown Utility Board

**MUB Sewer System**

The Sewer System provides sanitary sewer service directly to approximately 23,000 customers. The Sewer System has two distinct portions. The first, the "Morgantown Sewer System," includes both The City of Morgantown and the immediately surrounding areas, encompassing the traditional service area of MUB. The facilities in the Morgantown Sewer System include, but are not limited to, approximately 315 miles of collection lines and mains, the primary wastewater treatment plant located in Star City (the "Star City WWTP") which currently has a 12 million gallons per day (MGD) capacity, 57 lift stations, and 40 combined sewer overflows.

The Series 2016 A Bonds, the Series 2016 B-1 Bonds and the Series 2016 B-2 Bonds were issued to finance the costs of design, acquisition, construction and equipping of a project to upgrade the Star City WWTP and the Popenoe Run Interceptor which transmits most of the flow from the Sewer System to the Star City WWTP (collectively, the "2016 Sewer System Project"). The purpose of the 2016 Sewer System Project is to increase treatment capacity at the Star City WWTP to 20.8 MGD as part of MUB's Long Term Control Plan for management of combined sewer overflows. The contract for the Popenoe Run Interceptor is 100% complete, and was both on schedule and on budget. The contract for the Star City WWTP, approximately \$84,000,000, is currently on schedule (90% complete on a contract expenditure basis), and on budget, with change orders of less than 0.6% of the contract amount. The entire 2016 Sewer System Project is scheduled for completion in 2020.

The second distinct portion of the Sewer System is the sanitary sewer collection and treatment system which serves the Cheat Lake area outside of, but adjacent to, the municipal limits of the Issuer in Monongalia County. The Cheat Lake System serves approximately 3,100 retail customers. The facilities of the Cheat Lake System includes approximately 57 miles of collection and transmission lines, a 750,000 gallon per day (GPD) wastewater treatment plant (the "Cheat Lake WWTP") and 20 lift stations. The Cheat Lake System contains no combined sewer overflows. The Cheat Lake WWTP, lift stations, and major interceptors and force mains were constructed in 2000 at a cost of \$10,000,000. Growth and demand for expanded utility services is generally strong throughout the MUB service area and particularly so in the Cheat Lake area.

**MUB Sewer System – Service Area**

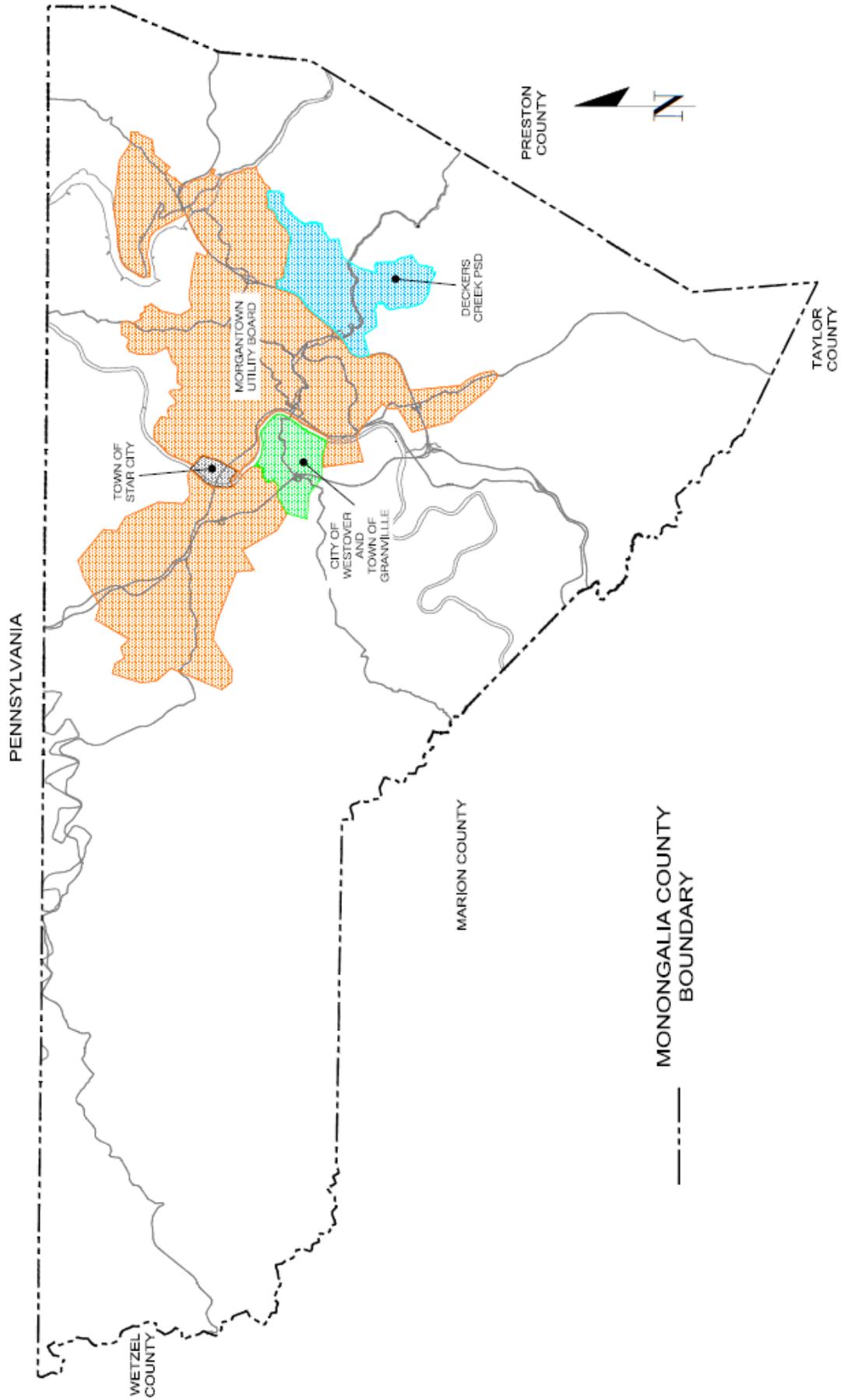
MUB's Sewer System Service area:

- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 50 square miles; and
- includes a diversified group of healthcare, higher education, manufacturing, and service industry customers.

In addition to MUB's retail customers, MUB provides sanitary sewerage transmission and treatment to four (4) separate adjacent public sewer utilities: the City of Westover, Deckers Creek Public Service District ("Decker's Creek PSD"), the Town of Star City, and the Town of Granville (collectively, the "Sewer Resale Customers"). The Sewer Resale Customers provide retail sanitary sewer service to a total of over 5,500 customers within their respective service territories.

Set forth on the next page is a map which reflects the retail service area of the Sewer System, as well as the general geographic boundaries of the Sewer Resale Customers.

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### MUB Sewer System – Customer Data\*

The following table sets forth the total sanitary sewer collection and treatment sales by MUB in each of the last ten (10) Fiscal Years:

| <i>Fiscal Year<br/>(ended June<br/>30)</i> | <i>Residential</i> | <i>Commercial</i> | <i>Industrial</i> | <i>Public<br/>Authorities</i> | <i>Other/Resale</i> | <i>Total</i> |
|--------------------------------------------|--------------------|-------------------|-------------------|-------------------------------|---------------------|--------------|
| 2010                                       | \$3,458,586        | \$1,903,921       | \$307,798         | \$1,274,932                   | \$700,225           | \$7,645,462  |
| 2011                                       | \$3,531,058        | \$1,982,495       | \$313,247         | \$1,156,584                   | \$785,867           | \$7,769,251  |
| 2012                                       | \$3,789,665        | \$2,243,995       | \$493,504         | \$1,307,667                   | \$867,749           | \$8,702,580  |
| 2013                                       | \$4,242,666        | \$2,380,843       | \$426,778         | \$1,411,592                   | \$861,492           | \$9,323,371  |
| 2014                                       | \$4,487,498        | \$2,447,661       | \$460,191         | \$1,401,645                   | \$803,564           | \$9,600,559  |
| 2015                                       | \$5,079,237        | \$2,874,371       | \$454,779         | \$1,356,427                   | \$712,508           | \$10,477,322 |
| 2016                                       | \$5,186,957        | \$3,008,484       | \$475,128         | \$1,365,651                   | \$656,106           | \$10,692,326 |
| 2017                                       | \$7,788,657        | \$4,739,140       | \$1,666,297       | \$2,601,383                   | \$1,341,231         | \$18,136,708 |
| 2018                                       | \$7,877,329        | \$4,816,423       | \$1,665,078       | \$2,223,133                   | \$1,393,060         | \$17,975,023 |
| 2019                                       | \$7,761,641        | \$4,848,231       | \$1,499,963       | \$2,281,803                   | \$1,473,511         | \$17,865,149 |

### MUB Sewer System – Largest Customers\*

The following table sets forth the ten largest customers of the Sewer System and related annual sales for the Fiscal Year ended June 30, 2019.

|    | <i>Customer</i>              | <i>Consumption (gallons in<br/>1,000s)</i> | <i>Sales</i>       |
|----|------------------------------|--------------------------------------------|--------------------|
| 1  | West Virginia University     | 193,581                                    | \$1,482,345        |
| 2  | Mylan Pharmaceuticals        | 123,727                                    | \$1,240,779        |
| 3  | City of Westover**           | 277,691                                    | \$780,324          |
| 4  | WVU Hospitals                | 86,547                                     | \$657,306          |
| 5  | Decker's Creek PSD**         | 125,081                                    | \$337,990          |
| 6  | RF Kennedy Youth Center      | 35,503                                     | \$267,165          |
| 7  | Morgantown Energy Associates | 69,601                                     | \$257,344          |
| 8  | Town of Star City**          | 87,600                                     | \$246,156          |
| 9  | Monongalia General Hospital  | 21,572                                     | \$122,012          |
| 10 | Cintas                       | 15,384                                     | \$116,794          |
|    | <b>Total</b>                 | <b>1,036,287</b>                           | <b>\$5,508,215</b> |

\* Source: Morgantown Utility Board

\*\* Resale Customer

The total Sewer System Gross Revenue for the Fiscal Year ended June 30, 2019 was \$17,865,149. The ten largest sewer customers represented 31% of the Sewer System Gross Revenue.

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## MUB Sewer Resale Customers

The following tables set forth information regarding MUB's Sewer Resale Customers for the Fiscal Years indicated.

### MUB Sewer Resale Customers – Resale Customer Count\*

| <i>Resale Customer</i> | <i>Fiscal Year 2019</i> | <i>Fiscal Year 2018</i> | <i>Fiscal Year 2017</i> | <i>Fiscal Year 2016</i> | <i>Fiscal Year 2015</i> |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| City of Westover       | 2,292                   | 2,283                   | 2,278                   | 2,249                   | 2,241                   |
| Deckers Creek PSD      | 1,974                   | 1,904                   | 1,877                   | 1,866                   | 1,831                   |
| Town of Star City      | 980                     | 939                     | 976                     | 915                     | 891                     |
| Town of Granville      | 331                     | 339                     | 340                     | 340                     | 345                     |
| <b>Total</b>           | <b>5,577</b>            | <b>5,465</b>            | <b>5,471</b>            | <b>5,370</b>            | <b>5,308</b>            |

### MUB Sewer Resale Customers – Annual Gallons Wastewater Treated by MUB (000's omitted)\*\*

| <i>Resale Customer</i> | <i>Fiscal Year 2019</i> | <i>Fiscal Year 2018</i> | <i>Fiscal Year 2017</i> | <i>Fiscal Year 2016</i> | <i>Fiscal Year 2015</i> | <i>Fiscal Year 2014</i> |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| City of Westover       | 277,691                 | 254,569                 | 243,574                 | 213,689                 | 230,765                 | 230,859                 |
| Deckers Creek PSD      | 125,081                 | 115,651                 | 113,006                 | 103,074                 | 103,994                 | 115,570                 |
| Town of Star City      | 87,600                  | 87,600                  | 87,600                  | 87,840                  | 87,840                  | 87,600                  |
| Town of Granville      | 38,798                  | 37,930                  | 33,125                  | 32,801                  | 42,636                  | 46,912                  |
| <b>Total</b>           | <b>529,170</b>          | <b>495,750</b>          | <b>477,305</b>          | <b>437,404</b>          | <b>465,235</b>          | <b>480,941</b>          |

### MUB Sewer Resale Customers – Annual Treatment Cost Billed by MUB\*\*

| <i>Resale Customer</i> | <i>Fiscal Year 2019</i> | <i>Fiscal Year 2018</i> | <i>Fiscal Year 2017</i> | <i>Fiscal Year 2016</i> | <i>Fiscal Year 2015</i> | <i>Fiscal Year 2014</i> |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| City of Westover       | \$780,324               | \$715,341               | \$684,444               | \$320,534               | \$346,148               | \$346,289               |
| Deckers Creek PSD      | \$337,990               | \$324,979               | \$317,548               | \$154,611               | \$155,991               | \$173,356               |
| Town of Star City      | \$246,156               | \$246,156               | \$246,156               | \$131,760               | \$131,400               | \$131,040               |
| Town of Granville      | \$109,041               | \$106,584               | \$93,083                | \$49,201                | \$63,955                | \$70,368                |
| <b>Total</b>           | <b>\$1,473,511</b>      | <b>\$1,393,060</b>      | <b>\$1,341,231</b>      | <b>\$656,106</b>        | <b>\$697,494</b>        | <b>\$721,053</b>        |

For the Fiscal Year ended June 30, 2019, payments for sewage transmission and treatment to MUB from Sewer Resale Customers represented 8% of the Sewer System Gross Revenue.

\* Information gathered from Annual PSC Reports of Resale Customers.

\*\* Source: Morgantown Utility Board

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## **MUB Stormwater System**

The Stormwater System serves approximately 15,376 customers. The West Virginia Department of Environmental Protection (“DEP”) implemented federal MS4 (Municipal Separate Storm Sewer System) regulations effective 2003. The City added stormwater to the mission of MUB on May 21, 2002. Prior to that, the Stormwater System was maintained by the City Street Department. The MUB stormwater utility was the first created in West Virginia, and has served as the model for others created statewide since that time. Stormwater rates, based on measured impervious area, were enacted by the Council of the Issuer to fund a suitable annual budget for both ongoing operations and maintenance, and for capital improvements. The MUB stormwater service area is defined on a watershed basis, and therefore includes areas that flow into the City from beyond the municipal corporate limits. Stormwater System facilities include a known inventory of 126 miles of pipe and culverts, however, the length of the total stormwater conveyance facilities is estimated to be approximately 277 miles. A mapping project to determine the full system inventory is underway, as required by recent federal regulations. An \$8,500,000 project was completed in 2009 to improve the Burroughs Run and Popenoe Run streams, providing stream restoration to stabilize the streams and to improve stream conveyance capacity in order to reduce the potential for flooding. A \$2,475,000 project to improve and protect the Sabraton area along the Hartman Run stream, and at the intersection of Hartman Run Road (W.V. Route 857) and W.V. Route 7 was completed in 2015. Recent stormwater projects funded by the Series 2017 A and Series 2018 B Bonds, and proposed at Forest Avenue, 3<sup>rd</sup> Street, Valley View Street and other nearby areas, are proceeding as planned and are approximately 50% completed.

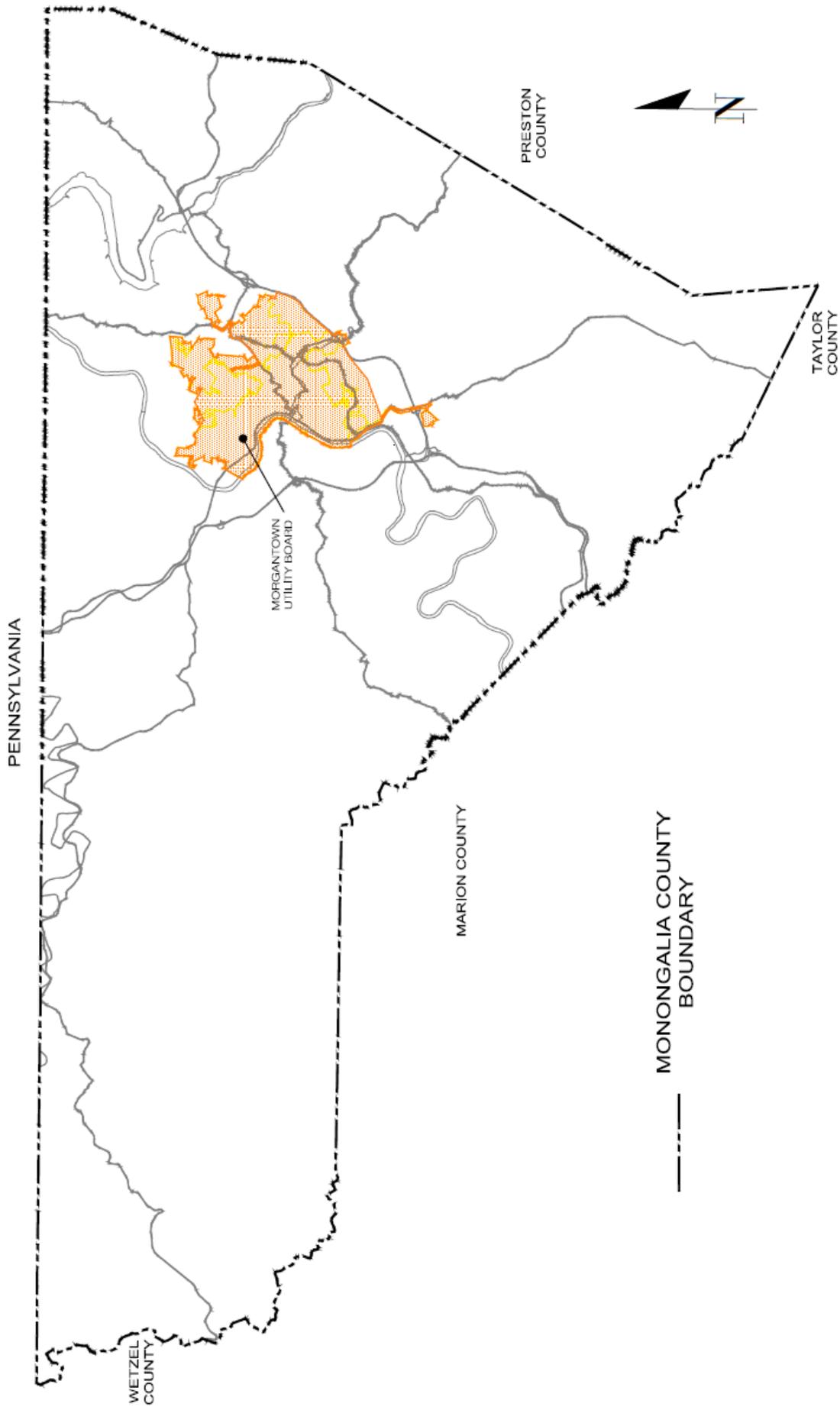
### **MUB Stormwater System – Service Area**

MUB stormwater service area:

- includes the entirety of the City and surrounding areas in Monongalia County, West Virginia;
- covers approximately 14.68 square miles; and
- includes a diversified group of healthcare, higher education, manufacturing, and service customers.

Set forth on the next page is a map which reflects the retail service area of the Stormwater System.

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## MUB Stormwater System – Largest Customers

|    | <i>Customer</i>             | <i>Impervious Surface (in sq. ft.)</i> | <i>Revenue</i>   |
|----|-----------------------------|----------------------------------------|------------------|
| 1  | West Virginia University    | 10,331,832                             | \$291,357        |
| 2  | WVU Hospitals               | 1,603,625                              | \$45,222         |
| 3  | Board of Education          | 1,481,061                              | \$41,766         |
| 4  | GP Management               | 1,133,540                              | \$31,966         |
| 5  | Mylan Pharmaceuticals       | 1,058,918                              | \$29,861         |
| 6  | Monongalia General Hospital | 917,913                                | \$25,885         |
| 7  | RF Kennedy Youth Center     | 914,792                                | \$25,797         |
| 8  | The City of Morgantown      | 893,499                                | \$25,197         |
| 9  | Wal-Mart Stores             | 772,999                                | \$21,799         |
| 10 | US Dept. Energy NETL        | 632,697                                | \$17,842         |
|    | <b>Total</b>                | <b>19,740,876</b>                      | <b>\$556,692</b> |

The total stormwater operating revenue for the Fiscal Year ended June 30, 2019 was \$1,900,056. The ten largest stormwater customers represented 29% of the total operating revenue.

## MUB Operating and Capital Budgets

Operating and Capital budgets for the Water System, Sewer System and Stormwater System are prepared and approved annually by MUB.

## MUB Combined Utility System Environmental Regulatory Performance

MUB maintains an excellent record of regulatory compliance. Discussion follows with respect to the Water System, the Sewer System and the Stormwater System.

### MUB Water System.

Although numerous standards apply to regulate the treatment process and quality of treated potable water, a permitting process analogous to the National Pollutant Discharge Elimination System (“NPDES”) permit does not exist. Nonetheless, monthly reports are required by WV Department of Health and Human Resources (“DHHR”), and consistently indicate full compliance.

The PSC requires annual reporting of water loss, which is measured by a percentage of water that is unaccounted, and requires a corrective action plan for water loss exceeding 15%. MUB’s program of loss prevention and leak location is very effective, and consistently complies with the PSC standard. The most recent reported water loss was 11.41% for FY 2019.

There are no outstanding enforcement actions applicable to the Water System.

### MUB Sewer System.

Sewer service is regulated under the separate NPDES permits for the Star City WWTP and the Cheat Lake WWTP, and each corresponding collection system. As evidenced by receipt of numerous consecutive Platinum Awards from the National Association of Clean Water Agencies (“NACWA”), MUB has had zero water quality permit violations in the last 18 years at the Star City WWTP, and in the last 20 years at the Cheat Lake WWTP.

An Administrative Order has been issued by West Virginia Department of Environmental Protection (“DEP”) related to the Long Term Control Plan, and is procedural in nature. MUB is fully compliant with the terms of the Administrative Order.

There are no other outstanding enforcement actions applicable to the Sewer System.

## MUB Stormwater System

Numerous standards apply to regulate the operation and maintenance of stormwater systems by way of the MS4 variation of the NPDES permit. Semi-annual reports are required by DEP, and consistently indicate substantial compliance.

A 2014 inspection by DEP of MUB's MS4 reporting resulted in a Notice of Violation for failure to achieve certain permit requirements and/or goals expressed in MUB's Stormwater Management Plan. In most cases, the requirement/goal had been achieved, but the achievement was not properly documented. MUB was directed to submit a report describing how the unmet goals would be achieved/documented for compliance; said report was promptly submitted, appropriate program corrections were made, and no further enforcement action has been taken or is expected to be taken.

A 2015 inspection by the United States Environmental Protection Agency ("EPA") of MUB's MS4 reporting (for years 2012 and 2013) resulted in an Administrative Order for failure to achieve certain permit requirements. MUB was directed to submit a report describing how the unmet goals would be achieved/documented for compliance; said report was promptly submitted, and EPA has now issued a letter accepting the Report and closing the Administrative Order docket as having been appropriately resolved.

There are no outstanding enforcement actions applicable to the Stormwater System.

## **MUB Sewer System Long Term Control Plan**

MUB's original Long Term Control Plan ("LTCP") was submitted to WV DEP and approved in 2002. Because such complex plans and the regulations to which they respond are constantly evolving, the LTCP is best considered a "living document" that remains subject to continuous revision and re-negotiation.

Work completed under the 2002 LTCP includes the following: (i) an addition of a third secondary clarifier at the Star City WWTP, which was completed in 2009 at a cost of \$6,400,000; and (ii) an upgrade of Deckers Creek Pump station and force main, which was completed in 2012 at a cost of \$15,500,000.

MUB submitted updates to its LTCP to WV DEP in 2011 and 2014. These updates have not been formally approved or rejected by DEP, and remain under ongoing discussion. The 2014 LTCP served as the basis for the 2016 Sewer System Project.

The 2014 LTCP describes four phases of anticipated improvements (all cost estimates are in 2015-2016 dollars):

- Group 1 – 2020 completion
  - WWTP upgrade – financed as a portion of the 2016 Sewer System Project at a cost of \$101,000,000 (estimated \$70,000,000 in LTCP).
  - Popenoe Run Interceptor replacement – financed as a portion of the 2016 Sewer System Project at a cost of \$1,600,000 (estimated \$6,000,000 in LTCP).
- Group 2 – 2025 completion
  - Star City WWTP upgrade Phase 2 at \$21,000,000.\* (Since the 2014 LTCP, portions of the Star City WWTP upgrade Phase 2 have been included in the 2016 Sewer System Project.)
- Group 3 – 2030 completion
  - Upgrade of Deckers Creek Pump Station and Interceptor at \$19,000,000.\*
  - Popenoe Run Pumping and Storage at \$12,000,000.\*
- Group 4 – 2035 completion
  - Add High Flow Wet Weather Treatment to WWTP at \$44,000,000.\*

\* Preliminary, subject to change. Also, construction subject to availability of grant and low interest loan funds and affordability under %MHI indices.

## MUB Awards and Recognitions

MUB is recognized as an industry leader in West Virginia and the region with respect to water, wastewater and stormwater utilities. MUB has been repeatedly recognized by a variety of organizations for both projects and policies which have reflected this leadership. Included in such accolades are the following:

| Year | Category   | Issued by                    | Notation                                                                   |
|------|------------|------------------------------|----------------------------------------------------------------------------|
| 2019 | Sewer      | NACWA                        | Platinum – Star City WWTP (18 <sup>th</sup> consecutive year)              |
| 2019 | Sewer      | NACWA                        | Platinum – Cheat Lake WWTP (20 <sup>th</sup> consecutive year)             |
| 2019 | Stormwater | WV DEP                       | Pisces Award (Honorable Mention) for WWTP CSO reduction and energy savings |
| 2018 | Sewer      | NACWA                        | Platinum – Star City WWTP (17 <sup>th</sup> consecutive year)              |
| 2018 | Sewer      | NACWA                        | Platinum – Cheat Lake WWTP (19 <sup>th</sup> consecutive year)             |
| 2018 | Stormwater | WV DEP                       | Environmental Excellence Award – stormwater                                |
| 2016 | Water      | WV AWWA                      | 1st place Taste Test                                                       |
| 2013 | Water      | WV RWA                       | Water System of the Year                                                   |
| 2012 | Stormwater | WV DEP                       | Environmental Excellence Award – stormwater                                |
| 2009 | Stormwater | Assoc. Builder & Contractors | Excellence in Construction – Burroughs Run Project                         |
| 2008 | Stormwater | WV DEP                       | Pisces Award – Innovative & Effective SRF                                  |
| 2002 | Water      | WV RWA                       | Water System of the Year                                                   |
| 2002 | Sewer      | WV DEP                       | Environmental Excellence Award – large plant                               |
| 2002 | Sewer      | WV DEP                       | Environmental Excellence Award – small plant                               |
| 2002 | Sewer      | Assoc. Builder & Contractors | Excellence in Construction – Cheat Lake WWTP                               |
| 2001 | Sewer      | WV DEP                       | Environmental Excellence Award – most improved                             |

MUB actively participates in the activities and leadership of several West Virginia based industry groups and national industry organizations, including:

### West Virginia Based Organizations

- WV American Water Works Association (“WV AWWA”),
- WV Rural Water Association (“WV RWA”),
- West Virginia Municipal League (“WVML”),
- West Virginia Municipal Water Quality Association (“WVMWQA”), and
- West Virginia Water Environment Association (“WVWEA”).

### National Organizations

- American Water Works Association (“AWWA”),
- Water Environment Federation (“WEF”),
- Rural Water Association (“RWA”),
- National Association of Clean Water Agencies,
- Association of Metropolitan Water Agencies (“AMWA”),
- Wet Weather Partnership, and
- National Association of Clean Water Agencies (“NACWA”).

MUB’s active participation in these organizations has broadened its reach to include a wide network of resources and contacts. This allows MUB to bring cutting edge ideas to practice in its service areas. Most importantly, it empowers MUB to compare itself to, learn from, and compete with larger utilities throughout the nation and region.

In addition to formal recognition, MUB is unique among public utilities in West Virginia as the first, and to this date, the only, combined potable water, sanitary sewer and stormwater utility.

## MUB Operations, Maintenance, and Asset Management

### MUB Operations Overview.

The Water Treatment Plant, Star City WWTP and the Cheat Lake WWTP (collectively, the “Treatment Plants”) are under the direct supervision of the Manager of Treatment and Production Facilities. The Treatment Plants are operated by professionals licensed by the WV Bureau for Public Health (Water) and the West Virginia Department of Environmental Protection (Sewer). In addition to the Treatment Plants, the Manager of Treatment and Production

Facilities is responsible for the operation and maintenance of the 17 pumping stations and 35 storage tanks included in the Water System and the 73 pumping stations in the Sewer System.

The distribution and transmission lines in the Water System, collection and transmission lines in the Sewer System and the management and conveyance infrastructure in the Stormwater System are the responsibility of the Distribution Superintendent. The Combined Utility System includes approximately 411 miles of water distribution lines, 372 miles of sewerage collection and transmission lines, and approximately 277 miles of stormwater management, conveyance and control facilities.

#### MUB Maintenance Overview.

MUB has a structured maintenance program which focuses on ensuring the expected useful life of facilities and equipment throughout the Combined Utility System. A computerized maintenance management system is utilized to track and document preventative maintenance, predictive maintenance and unplanned repair activities. A computerized purchasing and inventory control system is utilized.

#### Asset Management Plan Overview.

MUB maintains an Asset Management Plan which is updated on an annual basis to reflect depreciation, replacement and upgrades of existing assets, as well the addition of new assets. The purposes of the Asset Management Plan are to (i) ensure the maximum reasonable useful life of assets; (ii) reduce the occurrence of lost service through anticipatory replacement, repair or improvement of assets; and (iii) support optimal decision-making through consistent life-cycle costing and renewal and replacement planning.

### **MUB CAPITAL IMPROVEMENT PROGRAM**

MUB utilizes an annually adopted five-year Capital Improvement Program (“CIP”) to plan and manage the capital improvements necessary to fulfill its service mission, comply with regulatory requirements and preserve and upgrade each system within the Combined Utility System. MUB updates the CIP annually in conjunction with its budget process, based on detailed project review by engineering staff, external engineering consultants retained by MUB and senior management.

#### **MUB CIP Management and Administration**

Consulting engineering services are generally employed for the design of major projects. MUB’s engineering department has fifteen (15) employees who design certain projects and review and coordinate the plans submitted by consulting engineers for others. Depending on the size and type of project, responsibility for design, bidding, construction management, and/or resident inspection may be provided by MUB engineering, staff, consulting engineers, or a combination of both. All projects are scheduled and monitored under the direction of a licensed professional engineer. Overall project coordination and management is the responsibility of the General Manager and Assistant General Manager/Chief Engineer.

#### **MUB CIP Funding Sources**

MUB anticipates funding the CIP through a combination of long term debt (i.e., Additional Parity Bonds) and internally generated funds for capital additions. Additional funding is routinely received from developers, the West Virginia Department of Highways, West Virginia University and others for the purpose of increasing capacity, relocating facilities and expanding the service area.

#### **MUB Current CIP**

The paragraphs below outline the current five-year CIP.

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MUB Water System – CIP.

Rates and charges for the Water System have been established that provide an annual budget of approximately \$1,000,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of distribution lines, pumping and treatment structures, and major equipment. Anticipated Capital Improvements include:

| <u>Year</u>                                                                                | <u>Project</u>                                                    | <u>Estimated Cost</u>                              |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------|
| 2021                                                                                       | Madigan WL replacement (Barrickman to Mississippi) - City Paving  | \$355,000                                          |
|                                                                                            | Oakland WL replacement (University to Country Club) - City Paving | \$50,000                                           |
|                                                                                            | Oakland WL replacement (University to Fairfax) - City Paving      | \$125,000                                          |
|                                                                                            | Pennsylvania WL replacement (Hackney to Deckers) - City Paving    | \$35,000                                           |
|                                                                                            | River Road SCADA                                                  | \$50,000                                           |
|                                                                                            | Tank Painting - Airport (touch up work only)                      | \$125,000                                          |
|                                                                                            | Union Water Storage Tank                                          | \$200,000                                          |
|                                                                                            | Misc. Water Projects                                              | <u>\$60,000</u>                                    |
|                                                                                            | Total                                                             | \$1,000,000                                        |
|                                                                                            | 2022                                                              | Buckhannon WL replacement (Huntington to dead end) |
| Dunkard WL replacement (North end of Western)                                              |                                                                   | \$6,000                                            |
| Hagedorn WL replacement (Pixler Hill to dead end)                                          |                                                                   | \$24,000                                           |
| Pixler Hill WL replacement (Rt. 7 to Hagedorn)                                             |                                                                   | \$73,000                                           |
| Sabraton Water Storage Tank (at Sabraton #2)                                               |                                                                   | \$325,000                                          |
| Sabraton Water System Upgrade - increased line capacity at Deckers Boulevard (800' of 12") |                                                                   | \$200,000                                          |
| Tank Painting - Morgantown Mall Tank                                                       |                                                                   | \$185,000                                          |
| Tank Painting - Snake Hill #1                                                              |                                                                   | \$155,000                                          |
| Misc. Water Projects                                                                       |                                                                   | <u>\$15,000</u>                                    |
| Total                                                                                      |                                                                   | \$1,000,000                                        |
| 2023                                                                                       | Alley A WL replacement (West First to East)                       | \$20,000                                           |
|                                                                                            | Laurel Point Tank #1 replacement                                  | \$70,000                                           |
|                                                                                            | Sabraton Booster Station Upgrade                                  | \$400,000                                          |
|                                                                                            | Sabraton Water System Upgrade - increase line capacity            | \$450,000                                          |
|                                                                                            | Misc. Water Projects                                              | <u>\$60,000</u>                                    |
| Total                                                                                      | \$1,000,000                                                       |                                                    |
| 2024                                                                                       | Chaplin Water storage                                             | \$425,000                                          |
|                                                                                            | Tank Painting - Wiles Hill #2                                     | \$275,000                                          |
|                                                                                            | Union BS - 12" discharge Aspria to Imperial Drive                 | \$275,000                                          |
|                                                                                            | Misc. Water Projects                                              | <u>\$25,000</u>                                    |
| Total                                                                                      | \$1,000,000                                                       |                                                    |
| 2025                                                                                       | Chaplin BS upgrades                                               | \$250,000                                          |
|                                                                                            | Cherry Hill BS upgrade                                            | \$200,000                                          |
|                                                                                            | Kenmore WL replacement (Fairlawns to University)                  | \$50,000                                           |
|                                                                                            | Tank Painting - Cherry Hill #2                                    | \$150,000                                          |
|                                                                                            | Tank Painting - Laurel Point #2                                   | \$50,000                                           |
|                                                                                            | Union BS standby generator                                        | \$250,000                                          |
|                                                                                            | Misc. Water Projects                                              | <u>\$50,000</u>                                    |
| Total                                                                                      | \$1,000,000                                                       |                                                    |

MUB Sewer System – CIP.

Rates and charges for the Sewer System have been established that provide an annual budget of approximately \$1,500,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of collection lines, pumping and treatment structures, and major equipment. Anticipated Capital Improvements include:

| <u>Year</u> | <u>Project</u>                                                  | <u>Estimated Cost</u> |
|-------------|-----------------------------------------------------------------|-----------------------|
| 2021        | Deckers Creek force main (16" replacement)                      | \$275,000             |
|             | Dorsey Knob PS #2 upgrades                                      | \$350,000             |
|             | Excavator replacement                                           | \$300,000             |
|             | Greystone sanitary sewer (on the ground/cliff)                  | \$150,000             |
|             | Airport Boulevard PS replacement/elimination                    | \$150,000             |
|             | Misc. Sewer Projects                                            | <u>\$275,000</u>      |
|             | Total                                                           | \$1,500,000           |
| 2022        | Brookhaven Road capacity increase                               | \$300,000             |
|             | CSO - permanent flow meters                                     | \$150,000             |
|             | Dump Truck replacement                                          | \$100,000             |
|             | Standard Street PS VFD                                          | \$150,000             |
|             | Vacuum Truck replacement                                        | \$300,000             |
|             | Misc. Sewer Projects                                            | <u>\$500,000</u>      |
|             | Total                                                           | \$1,500,000           |
| 2023        | Deckers Creek interceptor - MH replacement and lining - Phase 1 | \$650,000             |
|             | Dump Truck replacement                                          | \$100,000             |
|             | Oakland Street SS/ST improvements                               | \$400,000             |
|             | University Toyota sanitary sewer relocation                     | \$200,000             |
|             | Misc. Sewer Projects                                            | <u>\$150,000</u>      |
|             | Total                                                           | \$1,500,000           |
| 2024        | Deckers Creek interceptor - MH replacement and lining - Phase 2 | \$650,000             |
|             | Deckers Creek interceptor - tide gate installation              | \$200,000             |
|             | Dump Truck replacement                                          | \$100,000             |
|             | Mon Interceptor cleaning                                        | \$250,000             |
|             | Orchard Crossing upgrade                                        | \$200,000             |
|             | Misc. Sewer Projects                                            | <u>\$100,000</u>      |
|             | Total                                                           | \$1,500,000           |
| 2025        | CSO - screen installation                                       | \$300,000             |
|             | Dump Truck replacement                                          | \$100,000             |
|             | Harewood collection system - install MHs                        | \$50,000              |
|             | Imperil Woods I/I (system replacement)                          | \$500,000             |
|             | Mon Interceptor - tide gate installation                        | \$300,000             |
|             | Mont Chateau replace MHs                                        | \$50,000              |
|             | Misc. Sewer Projects                                            | <u>\$200,000</u>      |
| Total       | \$1,500,000                                                     |                       |

MUB Stormwater System – CIP.

Rates and charges for the Stormwater System have been established that provide an annual budget of approximately \$100,000 in internally generated funds for capital improvements. The capital improvement projects include a combination of renewal and replacement of stormwater conveyance and management facilities. Anticipated Capital Improvements include:

| <u>Year</u> | <u>Project</u>                | <u>Estimated Cost</u> |
|-------------|-------------------------------|-----------------------|
| 2020        | Misc. Upgrades and Extensions | \$100,000             |
| 2021        | Misc. Upgrades and Extensions | \$100,000             |
| 2022        | Misc. Upgrades and Extensions | \$100,000             |
| 2023        | Misc. Upgrades and Extensions | \$100,000             |
| 2024        | Misc. Upgrades and Extensions | \$100,000             |

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## DEBT SERVICE REQUIREMENTS

### Existing Long-Term Debt of the Combined Utility System

Pursuant to the Act, all debt secured by the Gross Revenues of the Combined Utility System has a lien on the Gross Revenues of the Water System, the Sewer System and the Stormwater System and are known as “Combined Utility System Revenue Bonds,” denoting the lien on the “combined” system. The following outstanding debt is secured by the Gross Revenues of the Combined Utility System, on a parity with the Series 2020 A Bonds:

| <i>Bond Issue</i> | <i>Issue Date</i> | <i>Project</i>                           | <i>Original Issue Amount</i> | <i>Balance May 31, 2020</i> | <i>Approximate Annual Debt Service</i> | <i>Final Maturity</i> |
|-------------------|-------------------|------------------------------------------|------------------------------|-----------------------------|----------------------------------------|-----------------------|
| 2019 B            | 10/22/2019        | Assume River Road PSD Water Bonds        | \$2,546,000                  | \$2,368,007                 | \$91,443                               | 12/2047               |
| 2019 A            | 10/22/2019        | Assume River Road PSD Water Bonds        | \$1,068,500                  | \$142,554                   | \$64,952                               | 6/2022                |
| 2018 A-2          | 7/10/2018         | Water System Improvements                | \$140,715                    | \$138,493                   | \$4,800                                | 6/2058                |
| 2018 B            | 6/28/2018         | Water and Stormwater System Improvements | \$44,260,000                 | \$43,290,000                | \$2,484,111                            | 12/2048               |
| 2018 A            | 1/31/2018         | Rockley Road Water Project               | \$394,074                    | \$383,679                   | \$13,438                               | 12/2057               |
| 2017 A            | 12/21/2017        | Stormwater Improvements                  | \$2,695,000                  | \$2,595,000                 | \$147,307                              | 10/2047               |
| 2016 B-1          | 12/1/2016         | Star City WWTP Project                   | \$25,000,000                 | \$21,498,768                | \$945,453                              | 09/2046               |
| 2016 A            | 12/1/2016         | Star City WWTP Project                   | \$69,755,000                 | \$66,210,000                | \$4,232,013                            | 12/2046               |
| 2015 E            | 6/11/2015         | Sewer System Extension                   | \$662,300                    | \$594,796                   | \$18,563                               | 06/2055               |
| 2015 D            | 3/31/2015         | Assume Scotts Run PSD Sewer Bonds        | \$1,688,394                  | \$1,313,170                 | \$48,548                               | 12/2049               |
| 2015 C            | 3/31/2015         | Assume Scotts Run PSD Sewer Bonds        | \$8,111,813                  | \$5,016,498                 | \$213,468                              | 09/2043               |
| 2015 B            | 3/31/2015         | Assume Scotts Run PSD Sewer Bonds        | \$4,586                      | \$1,411                     | \$118                                  | 10/2031               |
| 2015 A            | 3/31/2015         | Assume Scotts Run PSD Sewer Bonds        | \$137,568                    | \$86,081                    | \$11,275                               | 10/2031               |
| 2014 B            | 7/13/2014         | Stormwater Improvements                  | \$505,421                    | \$391,394                   | \$37,563                               | 08/2034               |
| 2013 A            | 8/22/2013         | Assume Canyon PSD Sewer Bonds            | \$4,605,260                  | \$3,717,095                 | \$131,580                              | 06/2048               |
| 2012 A            | 8/24/2012         | Water System Extension                   | \$570,000                    | \$462,731                   | \$20,473                               | 03/2044               |
| 2010 E            | 1/28/2010         | Water System Improvements                | \$100,000                    | \$67,083                    | \$6,079                                | 09/2032               |
| 2010 D            | 1/28/2010         | Water System Improvements                | \$9,317,286                  | \$6,250,403                 | \$566,381                              | 09/2032               |
| 2010 C            | 1/28/2010         | Sewer System Improvements                | \$15,380,227                 | \$10,317,664                | \$934,936                              | 09/2032               |
| 2007 A            | 8/14/2007         | Stormwater Improvements                  | \$8,500,000                  | \$4,462,911                 | \$535,038                              | 06/2029               |
| 2006 A            | 6/30/2006         | Star City WWTP Secondary Clarifier       | \$6,410,191                  | \$2,956,721                 | \$389,664                              | 06/2028               |
| 2000 B            | 2/29/2000         | Cheat Lake Wastewater Treatment Plant    | \$2,488,000                  | \$1,293,072                 | \$65,476                               | 12/2039               |
| 2000 A            | 2/29/2000         | Cheat Lake Wastewater Treatment Plant    | \$7,842,000                  | \$1,940,280                 | \$323,384                              | 03/2026               |
|                   |                   |                                          | <b>\$212,182,335</b>         | <b>\$175,497,811</b>        | <b>\$11,286,063</b>                    |                       |

See “OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM – Prior Bonds” herein.

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**MUB Combined Utility System – Aggregate Debt Service Table**

The table below sets forth the anticipated aggregate debt service for the Prior Bonds and the Series 2020 A Bonds.

| Fiscal Year<br>(Ending June 30) | Debt Service<br>On Prior Bonds | Series 2020 A | Total |
|---------------------------------|--------------------------------|---------------|-------|
| 2021                            | \$11,227,751                   | -             |       |
| 2022                            | \$11,250,111                   | -             |       |
| 2023                            | \$11,206,650                   | -             |       |
| 2024                            | \$11,231,893                   | -             |       |
| 2025                            | \$10,754,937                   | -             |       |
| 2026                            | \$10,710,452                   | -             |       |
| 2027                            | \$10,489,018                   | -             |       |
| 2028                            | \$10,519,744                   | -             |       |
| 2029                            | \$10,105,306                   | -             |       |
| 2030                            | \$9,663,421                    | -             |       |
| 2031                            | \$9,698,041                    | -             |       |
| 2032                            | \$9,752,209                    | -             |       |
| 2033                            | \$9,076,560                    | -             |       |
| 2034                            | \$8,874,969                    | -             |       |
| 2035                            | \$8,900,500                    | -             |       |
| 2036                            | \$8,940,277                    | -             |       |
| 2037                            | \$8,986,940                    | -             |       |
| 2038                            | \$9,038,741                    | -             |       |
| 2039                            | \$9,099,023                    | -             |       |
| 2040                            | \$9,117,026                    | -             |       |
| 2041                            | \$9,134,938                    | -             |       |
| 2042                            | \$11,749,002                   | -             |       |
| 2043                            | \$11,745,078                   | -             |       |
| 2044                            | \$11,586,731                   | -             |       |
| 2045                            | \$11,538,262                   | -             |       |
| 2046                            | \$8,696,775                    | -             |       |
| 2047                            | \$4,932,290                    | -             |       |
| 2048                            | \$439,816                      | -             |       |
| 2049                            | \$118,388                      | -             |       |
| 2050                            | \$55,519                       | -             |       |
| 2051                            | \$33,449                       | -             |       |
| 2052                            | \$33,448                       | -             |       |
| 2053                            | \$33,450                       | -             |       |
| 2054                            | \$33,450                       | -             |       |
| 2055                            | \$33,450                       | -             |       |
| 2056                            | \$16,576                       | -             |       |
| 2057                            | \$16,577                       | -             |       |
| 2058                            | \$10,471                       | -             |       |

**MUB Combined Utility System Historical and Projected Coverage \*\***

|                                       | 2015                | 2016                | 2017                | 2018                | 2019                | 2020*               | 2021*               | 2022*               |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating Revenues                    | \$22,842,087        | \$22,935,561        | \$33,758,062        | \$33,411,203        | \$33,063,994        | \$32,518,000        | \$32,027,750        | \$33,300,000        |
| Other Operating Revenues              | 470,265             | 445,763             | 526,357             | 552,317             | 683,763             | 663,400             | 605,250             | 600,000             |
| <b>Total Operating Revenues</b>       | <b>\$23,312,352</b> | <b>\$23,381,324</b> | <b>\$34,284,419</b> | <b>\$33,963,520</b> | <b>\$33,747,757</b> | <b>\$33,181,400</b> | <b>\$32,633,000</b> | <b>\$33,900,000</b> |
| Total O & M Expense                   | 13,768,514          | 15,523,128          | 16,581,587          | 16,668,369          | 17,735,522          | 17,630,000          | 17,710,951          | 18,600,000          |
| Depreciation Expense                  | 8,398,878           | 8,692,352           | 8,664,954           | 8,408,810           | 8,224,867           | 9,000,000           | 12,500,000          | 13,000,000          |
| <b>Operating Income</b>               | <b>\$1,144,960</b>  | <b>-\$834,156</b>   | <b>\$9,037,878</b>  | <b>\$8,886,341</b>  | <b>\$7,787,368</b>  | <b>\$6,551,400</b>  | <b>\$2,422,049</b>  | <b>\$2,300,000</b>  |
| Non-Operating Income                  | -128,103            | 1,001,638           | 690,054             | 1,316,280           | 3,070,422           | 1,962,500           | 775,000             | 800,000             |
| <b>Available for Debt Service</b>     | <b>\$9,415,735</b>  | <b>\$8,859,834</b>  | <b>\$18,392,886</b> | <b>\$18,611,431</b> | <b>\$19,082,657</b> | <b>\$17,513,900</b> | <b>\$15,697,049</b> | <b>\$16,100,000</b> |
| Debt Service Requirement              | \$7,230,075         | \$7,300,490         | \$9,912,177         | \$12,301,624        | \$14,873,872        | \$15,147,145        | \$12,775,986        | \$13,565,638        |
| Coverage                              | <b>1.30x</b>        | <b>1.21x</b>        | <b>1.86x</b>        | <b>1.51x</b>        | <b>1.28x</b>        | <b>1.16x</b>        | <b>1.22x</b>        | <b>1.19x</b>        |
| MUB Equity Available for Debt Service |                     |                     |                     |                     |                     | <b>\$813,000</b>    | <b>\$560,000</b>    | <b>\$540,000</b>    |
| Revised Coverage                      |                     |                     |                     |                     |                     | <b>1.21x</b>        | <b>1.27x</b>        | <b>1.23x</b>        |

\* Projected

\*\* Prepared by MUB

- Assumptions: 1) Fiscal Year basis  
 2) 2010 Bonds are refunded prior to December, 2020  
 3) 2010 Bonds debt service is not included in FY 2021  
 4) Federal subsidy is not included/accounted for

**Method of Accounting**

The accounts of the Water System, Sewer System and Stormwater System are organized on the basis of fund accounting as enterprise funds. With respect to operating revenues and expenses, the MUB accounts are maintained in accordance with generally accepted accounting principles. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF MORGANTOWN UTILITY BOARD FOR FISCAL YEAR ENDED JUNE 30, 2019" herein.

## OUTSTANDING INDEBTEDNESS OF THE COMBINED UTILITY SYSTEM

### Prior Bonds

The Issuer has outstanding the following bonds which will rank on a parity with the Series 2020 A Bonds as to liens, pledge, source of and security for payment from the Gross Revenues derived from the Combined Utility System, as follows:

(1) Combined Utility System Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$7,842,000 (the “Series 2000 A Bonds”);

(2) Combined Utility System Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$2,488,000 (the “Series 2000 B Bonds”);

(3) Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of \$6,410,191 (the “Series 2006 A Bonds”);

(4) Combined Utility System Revenue Bonds, Series 2007 A (West Virginia SRF Program), of the Issuer, dated August 14, 2007, issued in the original aggregate principal amount of \$8,500,000 (the “Series 2007 A Bonds”);

(5) Combined Utility System Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$15,380,227 (the “Series 2010 C Bonds”);

(6) Combined Utility System Revenue Bonds, Series 2010 D (West Virginia DWTRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$9,317,286 (the “Series 2010 D Bonds”);

(7) Combined Utility System Revenue Bonds, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$100,000 (the “Series 2010 E Bonds”);

(8) Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 24, 2012, issued in the original aggregate principal amount of \$570,000 (the “Series 2012 A Bonds”);

(9) Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated August 22, 2013, issued in the original aggregate principal amount of \$4,605,260 (the “Series 2013 A Bonds”);

(10) Combined Utility System Revenue Bonds, Series 2014 B, of the Issuer, dated July 13, 2014, issued in the original aggregate principal amount of \$505,421 (the “Series 2014 B Bonds”);

(11) Combined Utility System Revenue Bonds, Series 2015 A (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015 issued in the original aggregate principal amount of \$137,568 (the “Series 2015 A Bonds”);

(12) Combined Utility System Revenue Bonds, Series 2015 B (West Virginia Water Development Authority), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of \$4,586 (the “Series 2015 B Bonds”);

(13) Combined Utility System Revenue Bonds, Series 2015 C (West Virginia SRF Program), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of \$8,111,813 (the “Series 2015 C Bonds”);

(14) Combined Utility System Revenue Bonds, Series 2015 D (West Virginia SRF Program), of the Issuer, dated March 31, 2015, issued in the original aggregate principal amount of \$1,688,394 (the “Series 2015 D Bonds”);

(15) Combined Utility System Revenue Bonds, Series 2015 E (West Virginia SRF Program), of the Issuer, dated June 11, 2015, issued in the original aggregate principal amount of \$662,300 (the “Series 2015 E Bonds”);

(16) Combined Utility System Revenue Bonds, Series 2016 A, of the Issuer, dated December 1, 2016, issued in the original aggregate principal amount of \$69,755,000 (the “Series 2016 A Bonds”);

(17) Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 15, 2016, issued in the original aggregate principal amount of \$25,000,000 (the “Series 2016 B-1 Bonds”);

(18) Combined Utility System Revenue Bonds, Series 2017 A (Bank Qualified), dated December 21, 2017, issued in the original aggregate principal amount of \$2,695,000 (the “Series 2017 A Bonds”);

(19) Combined Utility System Revenue Bonds, Series 2018 A (West Virginia Infrastructure Fund), dated January 31, 2018, issued in the original aggregate principal amount of \$394,074 (the “Series 2018 A Bonds”);

(20) Combined Utility System Revenue Bonds, Series 2018 B (Tax-Exempt), dated June 28, 2018, issued in the original aggregate principal amount of \$44,260,000 (the “Series 2018 B Bonds”);

(21) Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia Infrastructure Fund), dated July 10, 2018, issued in the original aggregate principal amount of \$140,715 (the “Series 2018 A-2 Bonds”);

(22) Combined Utility System Revenue Bonds, Series 2019 A (West Virginia DWTRF Program), dated October 22, 2019, issued in the original aggregate principal amount of \$1,068,500 (the “Series 2019 A Bonds”); and

(23) Combined Utility System Revenue Bonds, Series 2019 B (West Virginia DWTRF Program), dated October 22, 2019, issued in the original aggregate principal amount of \$2,546,000 (the “Series 2019 B Bonds”).

The Series 2000 A Bonds, Series 2000 B Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2013 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds, Series 2016 B-1 Bonds, Series 2017 A Bonds, Series 2018 A Bonds, Series 2018 B Bonds, Series 2018 A-2 Bonds, Series 2019 A Bonds and Series 2019 B Bonds are hereinafter collectively called the “Prior Bonds.” The ordinances which authorized the issuance of the Prior Bonds, as supplemented, are herein collectively referred to as the “Prior Ordinances.” As of May 31, 2020, the Prior Bonds are outstanding in the aggregate principal amount of \$175,497,811. See chart contained in “DEBT SERVICE REQUIREMENTS – Existing Long-Term Debt of the Combined Utility System” herein.

The Issuer also has outstanding is Combined Utility System Revenue Bonds, Series 2016 B-2 (West Virginia SRF Program/Green), dated December 15, 2016, issued in the original aggregate principal amount of \$500,000 (the “Series 2016 B-2 Bonds”) the repayment of which is not secured by the Gross Revenues of the System. The outstanding principal amount of the Series 2016 B-2 Bonds which is advanced in each Fiscal Year is forgiven by the holder of the Series 2016 B-2 Bonds on the last day of such Fiscal Year. The Series 2016 B-2 Bonds do not bear any interest.

### **Future Bond Issues**

The Issuer and MUB anticipate the issuance of bonds on a parity with the Series 2020 A Bonds in the future. The Issuer and MUB have not identified any projects that will be financed through such future bond issues.

## STATE REGULATION, RATES, BILLING AND COLLECTION PROCEDURES

### State Utility Regulation

Public water and sewer utilities in West Virginia are subject to regulatory oversight by the Public Service Commission of West Virginia (the “Public Service Commission” or “PSC”). Public municipal stormwater facilities are not subject to PSC regulation. Pursuant to state legislation which became effective in June 2015, and subsequently further clarified by state legislation effective in June 2017 (collectively, “Senate Bill 234”), the scope of PSC authority over larger public water and sewer utilities such as MUB was reduced. As a result of Senate Bill 234, MUB was exempted from PSC regulation and approval of, among other things:

1. Amendments and modifications to rates and charges of the Water System and the Sewer System; and
2. The requirement to obtain prior PSC approval for construction of capital projects which are outside “the normal course of business.”

The authority of the PSC over large public water and sewer utilities, however, has been effectively enlarged by a recent court decision. Specifically in SWVA v. Huntington Sanitary Board, et. al., Case Number 17-0120 (Memorandum Decision, November 14, 2017), the Supreme Court of Appeals of West Virginia held, among other things, that the PSC retains jurisdiction over, and is the proper venue for, complaints by customers of such large public water and sewer utilities for failure to satisfy statutorily mandated public notice requirements for approval by City Council of (1.) amendments and modifications of rates and charges for public water and public sewer systems; and (2.) construction of projects for public water and/or sewer systems which are outside of “the normal course of business.” Accordingly, while the changes to the state regulatory structure through Senate Bill 234 result in significant savings of both time and expense for MUB when pursuing both rate increases and capital projects, SWVA v. Huntington Sanitary Board created some uncertainty regarding the extent to which the regulatory jurisdiction of the PSC has been reduced.

Senate Bill 234 provided specific protection to bondholders. Specifically, West Virginia Code Section 24-2-1(b)(8) was amended by Senate Bill 234 to provide as follows:

In the event that a political subdivision has a deficiency in either its bond revenue or bond reserve accounts, or is otherwise in breach of a bond covenant, the bondholder may petition the Public Service Commission for such redress as will bring the accounts to current status or otherwise resolve the breached covenant, and the commission shall have jurisdiction to fully resolved the alleged deficiency or breach.

Neither the Issuer nor MUB is aware that any bondholder has petitioned the PSC for relief pursuant to this specific authority for any public utility in West Virginia since it became effective on June 12, 2015.

### Rate Setting and Project Approval Process

The PSC retains authority to investigate and resolve: (i) disputes between MUB and the Resale Customers regarding rates, fees and charges for the Water System and Sewer System; and (ii) complaints by MUB customers regarding the PSC’s exercise of powers enumerated in Chapter 24, Article 2, Section 1(b) of the Code of West Virginia, 1931, as amended. Moreover, the PSC regulatory oversight includes regulation of measurements, practices, acts or service of MUB, regulation of MUB’s system of accounts, regulation of MUB’s submission of tariffs, adjudication of service territory disputes, and certain agreements between utilities.

The Council of the City has the authority to implement rates and charges for the Combined Utility System through the enactment of a Rate Ordinance. Such rates and charges are required by the Act to be sufficient at all times to: (i) provide for the payment of interest on all bonds issued pursuant to the Act and to create a sinking fund to pay the principal of such bonds as and when the same becomes due, and reasonable reserves therefor; (ii) provide for the repair, maintenance and operation of the systems; (iii) provide an adequate reserve and replacement fund; and (iv) make any other payments required or provided for in the applicable bond ordinance. The Act provides that rates and charges established by municipally operated combined utility systems shall be just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing service. Under the Act, a municipality is required to maintain a “working capital reserve” for its respective water, sewerage and stormwater systems in an amount of no less than one-eighth (12.5%) of its actual annual operation and maintenance expense, which amount

must be separate and distinct from and in addition to any renewal and replacement fund. Moreover, the Act also requires a municipality to maintain a reserve for depreciation in an amount it deems reasonably sufficient.

Enactment of a Rate Ordinance by City Council requires a minimum of four to six weeks, including pre-enactment notice of the proposed increased rates and charges. The Council of the City must have two readings of a Rate Ordinance, separated by fourteen (14) days, with a public hearing prior to the second reading. Pre-enactment notice of the proposed rates and charges must be provided to the City’s customers with the billing statement in the month prior to the public hearing for the Rate Ordinance. Once enacted by the City, the proposed rates and charges are subject to investigation by the PSC upon the filing of a complaint by any one of the Resale Customers of the portion of the Combined Utility System for which such rates and charges are being modified. Resale Customers must file a complaint with the PSC no later than thirty (30) days following the enactment of a Rate Ordinance and the PSC has a statutory time frame of one hundred twenty (120) days within which to render a decision on such a complaint. As explained in the previous section, the decision in SWVA v. Huntington Sanitary Board clarified that any customer may bring a complaint at the PSC alleging, at a minimum, failure of the City Council to follow statutorily mandated notice requirements related to the Rate Ordinance.

The Council of the City also must approve capital projects for the Combined Utility System which are not in the “normal course of business” through the enactment of a project ordinance (a “Project Ordinance”). Enactment of a Project Ordinance requires a minimum of four to six weeks, including pre-enactment notice of the proposed capital project and any change in rates and charges associated with the capital project. The Council of the City must have two readings of a Project Ordinance, separated by fourteen (14) days, with a public hearing prior to the second reading. Pre-enactment notice of the capital project and any associated charge in rates and charges must be provided to the City’s customers with the billing statement in the month prior to the public hearing on a Project Ordinance. Approval by the Council of the City of a Project Ordinance cannot go into effect any sooner than 45 days after the date of enactment of a Project Ordinance. As explained in the previous section, the decision in SWVA v. Huntington Sanitary Board clarified that any customer may bring a complaint at the PSC alleging, at a minimum, failure of the City Council to follow statutorily mandated notice requirements related to a Project Ordinance, or a determination that a particular project is “in the normal course of business” and, thus, a Project Ordinance is not required.

### MUB Rate History and Comparison

The table below shows the recent rate history of MUB. MUB does not have a policy of regularly pursuing rate increases on a pre-determined schedule.

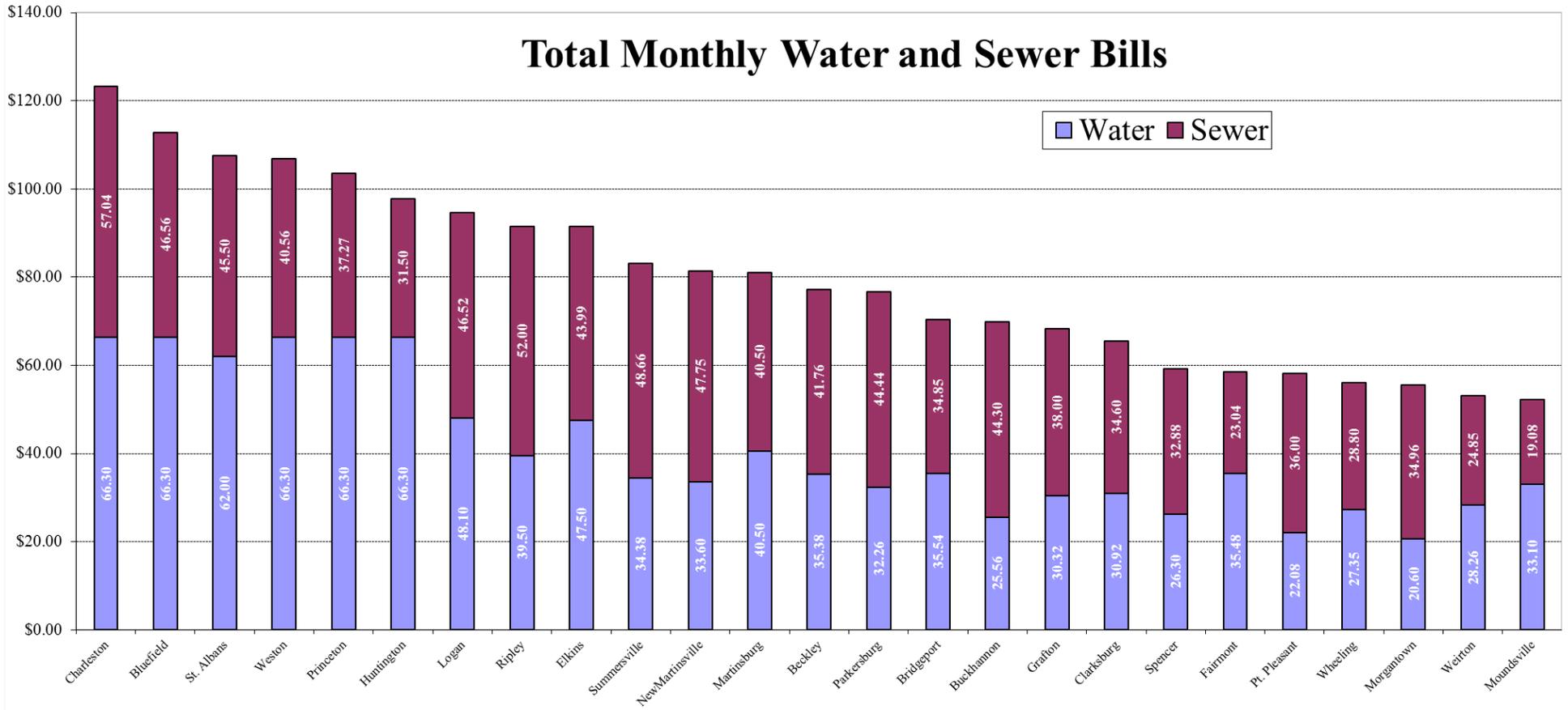
| Morgantown Water |                          |          |          | Morgantown Sewer |                          |            |          | Cheat Sewer |                          |            |          |
|------------------|--------------------------|----------|----------|------------------|--------------------------|------------|----------|-------------|--------------------------|------------|----------|
|                  | Bill Amount (in Gallons) |          | Percent  |                  | Bill Amount (in Gallons) |            | Percent  |             | Bill Amount (in Gallons) |            | Percent  |
| Date             | 4,500                    | 200,000  | Increase | Date             | 4,500                    | 200,000    | Increase | Date        | 4,500                    | 200,000    | Increase |
| 12/19/1992       | \$5.92                   | \$186.96 |          | 12/19/1992       | \$12.03                  | \$487.90   |          | 2/7/1995    | \$12.96                  | \$576.00   |          |
| 1/20/2005        | \$7.65                   | \$242.94 | 29%      | 1/20/2005        | \$12.77                  | \$504.30   | 6%       | 1/1/2001    | \$37.50                  | \$1,281.50 | 189%     |
| 9/28/2005        | \$8.03                   | \$253.10 | 5%       | 9/28/2005        | \$13.83                  | \$561.20   | 8%       | 7/1/2014    | \$46.50                  | \$1,589.06 | 24%      |
| 10/4/2008        | \$8.98                   | \$283.64 | 12%      | 11/22/2008       | \$15.48                  | \$627.92   | 12%      |             |                          |            |          |
| 1/1/2012         | \$17.42                  | \$586.40 | 94%      | 1/1/2012         | \$20.97                  | \$839.60   | 35%      |             |                          |            |          |
| 7/1/2016         | \$23.18                  | \$780.80 | 33%      | 7/1/2016         | \$39.33                  | \$1,574.40 | 87.5%    |             |                          |            |          |

Most of MUB’s rate increases have been initiated as a result of new projects and the need to increase revenues for project-related debt service. These project-related increases have also included additional new revenues to address increased O&M expenses. The need for general inflation-based rate increases is limited by several favorable factors, including:

- Sustained customer growth
- Sustained system growth by both system extensions and acquisitions
- Investment income
- Rents and leases
- Additional revenues earned by sale of contract services to the Resale Customers, including
  - Operation and Maintenance
  - Billing and collection

By aggressively managing the above, MUB maintains some of the lowest rates in the State. The table on the following page demonstrates the combined average water and sewer rates for residents of 25 municipalities including the Issuer, in West Virginia.

# Total Monthly Water and Sewer Bills



Costs Based on Average Customer Using 4,000 Gallons  
As of July 31, 2020

Prepared by MUB from information on file at West Virginia Public Service Commission

### MUB Retail Customer Collection Process

The 10 year average of uncollectible accounts is approximately 0.24% percent of invoices issued for utility services.

MUB employs a regimented collection protocol, including written reminder notices, text messages, and phone calls to customers with late accounts. Upon default, and pursuant to tariff and state law, MUB will physically terminate water service for a past due account. Reactivation of service occurs only upon full payment of the account and a deposit made as guarantee against future service billing. Pursuant to MUB policy and state law, MUB offers payment arrangements in hardship cases. No free service, however, is offered or provided to any customer, private or public.

New customers must provide a security deposit before service is provided. The deposit is held for a minimum of 1 year and, if the account is and has been current, it is returned as a credit on a bill. In the case of unpaid final bill balances, with which there is no active customer account, the accounts are referred to a third party collection agency 30 days after the bill is past due.

### MUB Retail Customer Uncollectible Accounts

| FYE<br>(ending June 30) | Water    | Morgantown<br>Sewer | Cheat<br>Sewer | Storm    | Total     | % of<br>Total<br>Revenues | Total<br>Revenues |
|-------------------------|----------|---------------------|----------------|----------|-----------|---------------------------|-------------------|
| 2020                    | \$33,897 | \$58,669            | \$1,339        | \$7,748  | \$101,653 | 0.307%                    | \$33,120,000      |
| 2019                    | \$29,501 | \$52,713            | \$2,539        | \$4,610  | \$89,363  | 0.265%                    | \$33,747,757      |
| 2018                    | \$26,601 | \$31,861            | \$4,852        | \$3,054  | \$66,368  | 0.195%                    | \$33,963,520      |
| 2017                    | \$24,348 | \$22,411            | \$3,472        | \$3,029  | \$53,260  | 0.16%                     | \$33,758,062      |
| 2016                    | \$20,866 | \$21,929            | \$1,931        | \$3,394  | \$48,120  | 0.21%                     | \$23,145,261      |
| 2015                    | \$25,958 | \$30,273            | \$1,917        | \$3,530  | \$61,678  | 0.27%                     | \$23,045,380      |
| 2014                    | \$17,708 | \$24,400            | \$2,873        | \$4,498  | \$49,479  | 0.22%                     | \$22,156,348      |
| 2013                    | \$8,991  | \$18,039            | \$7,230        | \$10,764 | \$45,024  | 0.21%                     | \$21,717,305      |
| 2012                    | \$12,158 | \$19,189            | \$2,911        | \$5,673  | \$39,931  | 0.22%                     | \$18,449,323      |
| 2011                    | \$26,438 | \$17,729            | \$3,381        | \$4,101  | \$51,649  | 0.34%                     | \$15,152,814      |

### MUB Resale Customer Collection Process

The PSC has jurisdiction over collection issues between utilities. Accordingly, in the event that any of the Water Resale Customers or Sewer Resale Customers becomes delinquent, the PSC is the appropriate venue for MUB to seek redress. The PSC has the authority to order the rates of the customers of a Resale Customer increased and/or the imposition of a surcharge on the customers of the Retail Customer in order to assure the full payment to MUB. MUB does not have the ability to terminate service to any Resale Customer without PSC approval.

Pleasant Valley Public Service District, a water resale customer (“Pleasant Valley”), made only partial payments for its water purchases for a period of time including 2015 and 2016, culminating in 2016 with an arrearage to MUB of approximately \$200,000. MUB filed a complaint case at the PSC, Case No. 16-0797-PWD-19A, seeking the imposition of rates and/or a surcharge upon the Pleasant Valley customers to repay the obligation to MUB. The case was decided in MUB’s favor, and the PSC ordered Pleasant Valley to establish both permanent and temporary rates sufficient so that the arrearage would be repaid over 24 months, and so that current amounts owed will be paid in full. Pleasant Valley’s arrearages have now been paid in full.

## **RISK FACTORS**

### **Coronavirus**

The spread of the new coronavirus named “SARS-CoV-2” and the disease it causes named “coronavirus disease 2019” (abbreviated “COVID-19”) has been declared a pandemic by the World Health Organization. COVID-19 has affected travel, commerce, and financial markets globally and locally. On March 23, 2020, the Governor of the State issued a general stay-at-home order (the “March 23<sup>rd</sup> Order”) directing all West Virginia residents to stay at home and limit movements outside of their homes beyond essential needs and closing “non-essential businesses.” The March 23<sup>rd</sup> Order specifically excluded utilities from the definition of “non-essential businesses.”

On May 4, 2020, Governor Justice’s “Safer at Home” Order, provided for gradual reopening of business and lifted restrictions on “non-essential” personal movement. Since May 4<sup>th</sup>, the State has incrementally lifted restriction on types of businesses which may reopen and the size of public gatherings, while providing guidelines for the reopening.

Through-out the time period from the March 23<sup>rd</sup> Order, MUB continued to provide potable water and sanitary sewer service to all customers. MUB has implemented precautions, such as providing PPE, requiring social distancing protocols and encouraging remote work, to protect employees, management and customers and preserve business continuity. MUB continues to carefully monitor developments and the directives of federal, state and local officials to determine what additional precautions and procedures may need to be implemented by MUB in the event of the continued spread of COVID-19.

In response to the urging of the PSC issued on March 13, 2020, MUB ceased terminating water service for failure of customers to timely pay water or sewer bills. MUB did not waive such charges; rather, they will accrue to the customer’s account and continue to be payable. On June 17, 2020, the PSC issued General Order No. 262.5 authorizing utilities which had elected to cease termination of water service for customer’s failure to pay to recommence, on July 1, 2020, termination of water service for non-payment. The General Order provides, however, that MUB may not assess late fees for late payments during the time period from March 13, 2020 and July 1, 2020. MUB resumed its normal collection procedures on July 1, 2020.

As a result of the suspension of termination of water service, MUB has experienced a modest increase in accounts receivable. MUB anticipates, however, that the majority, but not all, of such accounts receivable will ultimately be collected. MUB will experience a minor reduction in revenue as a result of not charging late fees during the period from March 13, 2020 to July 1, 2020. MUB does not expect that either the increased accounts receivable or the reduction in late fees will have a material impact on the System.

The continued spread of COVID-19 and its impact on social interaction, travel, economies and financial markets may adversely impact MUB finances and operations. The continued spread of COVID-19 (i) may materially adversely affect the ability of MUB to conduct its operations and/or may materially adversely affect the cost of operations and the revenues generated thereby, (ii) may materially adversely affect financial markets and consequently materially adversely affect the returns on and value of the MUB’s investment portfolio and (iii) may materially adversely affect the secondary market for and value of the Series 2020 A Bonds. The full impact of COVID-19 and the scope of any adverse impact on MUB finances and operations cannot be fully determined at this time.

## **LITIGATION**

There is not now pending or, to the best of the Issuer’s and MUB’s knowledge, threatened any litigation restraining or enjoining the issuance or delivery of the Series 2020 A Bonds or questioning or affecting the validity of the Series 2020 A Bonds, the proceedings and authority under which they are to be issued, nor is the creation, organization, or existence of the Issuer or MUB being contested. Nor is there any litigation pending or, to the best of the Issuer’s and MUB’s knowledge, threatened which (i) in any manner questions the right of MUB to operate the Combined Utility System or MUB’s right to conduct its activities in accordance with the provisions of the Act and the Series 2020 A Ordinance, or (ii) if determined adversely to MUB, would have a material adverse impact on the financial condition of the Combined Utility System.

The Issuer and MUB are subject to a variety of suits and proceedings arising out of their ordinary course of operations, some of which may be adjudicated adversely to the Issuer or MUB. Any such litigation is of a routine nature which does not affect the right of the Issuer or MUB to conduct its business or the validity of the Issuer’s obligations.

## LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2020 A Bonds are subject to the unqualified approving opinion of Steptoe & Johnson PLLC, Bond Counsel, whose opinion will be delivered concurrently with the delivery, upon original issuance, of the Series 2020 A Bonds, substantially as set forth as “APPENDIX D – PROPOSED FORM OF BOND COUNSEL OPINION” herein. Steptoe & Johnson PLLC also serves as Disclosure Counsel to the Issuer and MUB. Certain legal matters will be passed upon for the Issuer by Kay Casto & Chaney PLLC as counsel to the Issuer. Certain legal matters will be passed on for MUB by its Counsel, Jeffrey A. Ray, Esq. Jackson Kelly PLLC will pass upon certain matters as counsel for the Underwriter.

## CONTINUING DISCLOSURE

MUB has agreed to an undertaking (the “Undertaking”) for the benefit of the Registered Owners of the Series 2020 A Bonds to provide certain financial and operating information (the “Annual Financial Information”) not later than the last day of the Fiscal Year (presently ending June 30) immediately following the end of the Fiscal Year for which disclosure is due, commencing with the report for the Fiscal Year ending June 30, 2020, and to provide notice of the occurrence of enumerated events, all as further described in the Continuing Disclosure Agreement to be entered by MUB in substantially the form attached as “APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT” herein. The Annual Financial Information and each notice of enumerated events is required to be filed electronically by DAC (defined in Appendix F), as dissemination agent on behalf of MUB, with the Electronic Municipal Markets Access system (“EMMA”).

The continuing disclosure obligation is being undertaken by MUB to assist the Underwriter in complying with Rule 15c2-12 promulgated by the SEC (the “Rule”). MUB has agreed to give notice in a timely manner to EMMA. However, any such failure will not constitute a default under the terms of the Series 2020 A Ordinance or the Series 2020 A Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. See “APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT” herein. Registered Owners may contact the Comptroller of MUB for more information. See “MISCELLANEOUS” herein.

### Prior Continuing Disclosure Undertakings

The Issuer and MUB previously entered into continuing disclosure agreements with respect to certain of the Prior Bonds. Despite the existence of these prior continuing disclosure agreements and the Rule (as described above), the Issuer and MUB failed to timely file Audited Financial Statements for the Fiscal Year ended June 30, 2015, and failed to timely file a notice of failure to timely file such Audited Financial Statements. Such Audited Financial Statements have been filed as of the date hereof, as well as a notice of failure to timely make all such filings.

The Issuer and MUB have engaged DAC to serve as dissemination agent for the Series 2020 A Bonds, as well as the Series 2016 A Bonds, the Series 2017 A Bonds and the Series 2018 B Bonds.

## TAX MATTERS

### General

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2020 A Bonds (i) is excludable from gross income of the holders thereof for federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Code; (ii) is not a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the federal alternative minimum tax imposed on individuals; and (iii) under the laws of the State of West Virginia, the Series 2020 A Bonds and the interest thereon are exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof. See West Virginia Code Section 8-20-5.

The opinions described in this section are subject to the condition that the Issuer complies on a continuing basis with all requirements of the Code, and regulations thereunder that must be satisfied for interest on the Series 2020 A Bonds to be or continue to be excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Series 2020 A Bonds to be included in the gross income of the recipients thereof for purposes of federal income taxation, including retroactively to the date of issuance of the Series 2020 A Bonds.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Series 2020 A Ordinance and the Tax Certificate relating to the Series 2020 A Bonds permit certain actions to be taken or to be omitted if a favorable opinion of a bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest on any Series 2020 A Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series 2020 A Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series 2020 A Bonds might be affected as a result of such an audit of the Series 2020 A Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Series 2020 A Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series 2020 A Bonds or their market value.

### **Special Considerations with Respect to the Series 2020 A Bonds**

The accrual or receipt of interest on the Series 2020 A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2020 A Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Prospective purchasers should be aware of certain collateral consequences which may result under federal tax law for certain holders of the Series 2020 A Bonds: (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2020 A Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2020 A Bonds, (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for losses incurred by 15 percent of the sum of certain items, including interest on the Series 2020 A Bonds, (iii) interest on the Series 2020 A Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iv) passive investment income, including interest on the Series 2020 A Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S Corporation that has Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such S Corporation is passive investment income, (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income receipts or accruals of interest on the Series 2020 A Bonds, and (vi) receipt of investment income, including interest on the Series 2020 A Bonds, may, pursuant to Section 32(i) of the Code, disqualify the recipient from obtaining the earned income credit provided by Section 32(a) of the Code.

### **Backup Withholding**

Interest paid on tax-exempt obligations such as the Series 2020 A Bonds is generally required to be reported by payors to the IRS and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to "backup withholding" if the Bondholder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the Bondholder as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Series 2020 A Bonds from gross income for federal tax purposes.

### **Changes in Federal and State Tax Law**

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2020 A Bonds, including legislation, court decisions, or administrative actions, whether at the federal or state level, may affect the tax-exempt status of interest on the Series 2020 A Bonds or the tax consequences of ownership of the Series 2020 A Bonds. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce the benefit of the exclusion of the interest on the Series 2020 A Bonds from gross income for federal income tax purposes or any state tax benefit. Tax reform proposals and deficit reduction measures, including the limitation of federal tax expenditures, are expected to be under ongoing consideration by the United States Congress. These efforts to date have included proposals to reduce the benefit of the interest exclusion from income for certain holders of tax-exempt bonds, including bonds issued prior to the proposed effective date of the applicable legislation. Future proposed changes could affect the market value or marketability of the Series 2020 A Bonds, and, if enacted, could also affect the tax treatment of all or a portion of the interest on the

Series 2020 A Bonds for some or all holders. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2020 A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2020 A Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2020 A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2020 A Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

### **[Original Issue Discount**

Original issue discount (“OID”) is the excess, if any, of the stated redemption price at maturity over the issue price. The issue price is the initial offering price to the public, excluding underwriter and other intermediaries, at which price a substantial amount of the debt instrument was sold. The Series 2020 A Bonds maturing on \_\_\_\_\_ 1, 20\_\_, \_\_\_\_\_ 1, 20\_\_ and \_\_\_\_\_ 1, 20\_\_ (the “Series 2020 A Discount Bonds”), were sold with OID. For federal income tax purposes, OID accrues to the owner of a Series 2020 A Discount Bond over the period to maturity based on the constant yield method, compounded annually (or over a shorter permitted compounding interval selected by the owner). The portion of the OID that accrues during the period of ownership of a Series 2020 A Discount Bond (i) will be interest excludable from the owners’ gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2020 A Bonds, and (ii) will be added to the owner’s tax basis for purposes of determining a gain or loss on the maturity, redemption, prior sale or other disposition of that Series 2020 A Discount Bond. A purchaser of a Series 2020 A Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside front cover page of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Series 2020 A Discount Bond.

Owners of Series 2020 A Discount Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID properly accruable in any period with respect to the Series 2020 A Discount Bonds as to other federal tax consequences, and the treatment of the OID for purposes of state and local taxes on, or based on, income.]

### **[Original Issue Premium**

The Series 2020 A Bonds maturing on \_\_\_\_\_ 1, 20\_\_, \_\_\_\_\_ 1, 20\_\_ and \_\_\_\_\_ 1, 20\_\_ (the “Series 2020 A Premium Bonds”) were sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity in the case of the “Noncallable Series 2020 A Premium Bonds” or their earlier call date in the case of the “Series 2020 A Callable Premium Bonds.” The difference between the principal amount payable at maturity of the Series 2020 A Noncallable Premium Bonds and the tax basis of a Noncallable Premium Bond to a purchaser and the difference between the amount payable at the call date of the Callable Series 2020 A Premium Bonds that minimizes the yield to a purchaser of a Callable Premium Bond and the tax basis to a purchaser (in either case, other than a purchaser who holds a Series 2020 A Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) will be “bond premium.” For federal income tax purposes, bond premium is amortized over the period to maturity of a Noncallable Series 2020 A Premium Bond. A purchaser of a Series 2020 A Premium Bond will be required to decrease his or her adjusted basis in the Series 2020 A Premium Bond by the amount of amortizable bond premium attributable to each taxable year he or she holds the Premium Bond. The amount of amortizable bond premium attributable to a taxable year will be determined at a constant interest rate compounded annually. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Series 2020 A Premium Bond.

Owners of Series 2020 A Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of bond premium properly accruable in any period with respect to the Series 2020 A Premium Bonds as to other federal tax consequences, and the treatment of the bond premium for purposes of state and local taxes on, or based on, income.]

## **RATINGS**

Based on the Series 2020 A Insurance Policy issued by BAM, S&P Global Rating Services, a division of the McGraw Hill Companies, Inc. (“S&P”) is expected to assign a rating of “AA” to the Series 2020 A Bonds.

Moody’s Investor Services (“Moody’s”) has assigned an underlying rating of “Aa3” to the Issuer, and an underlying rating of “A1” to the System, including the Series 2020 A Bonds.

The Issuer did not apply for any other ratings related to the Series 2020 A Bonds.

Each such rating reflects only the views of such rating agency. Any desired explanation of the significance of such ratings should be obtained from S&P and Moody’s, as applicable. Certain information and materials not included in this Official Statement were furnished by the Issuer to the Bond Insurer and Moody’s. There is no assurance either of these ratings will continue for any period of time or that the rating will not be reviewed, downgraded or withdrawn entirely if, in the judgment of S&P or Moody’s, as appropriate, circumstances so warrant. The Underwriter has undertaken no responsibility to bring to the attention of the Bondholders any proposed revision or withdrawal of the ratings of the Series 2020 A Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of a rating could have an adverse effect on the market price of the Series 2020 A Bonds.

## **UNDERWRITING**

The Series 2020 A Bonds are being purchased by the Underwriter named on the cover of this Official Statement. The Bond Purchase Agreement provides that the Underwriter will purchase all the Series 2020 A Bonds, if any are purchased, at a purchase price equal to the initial public offering prices set forth on the cover page hereof less an Underwriter’s discount of \$\_\_\_\_\_, [plus/minus net original issue premium/discount of \$\_\_\_\_\_]. The obligation to make such purchase is subject to the terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel. The Underwriter may change the initial public offering prices from time to time. The Underwriter may offer and sell Series 2020 A Bonds to certain dealers (including dealers depositing Series 2020 A Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof, and such public offering price also may be changed without prior notice, from time to time, by the Underwriter.

## **FINANCIAL STATEMENTS**

Included herein as Appendix B are the audited financial statements (and reports with respect thereto) of MUB as of June 30, 2019. The financial statements have been included herein in reliance upon the reports of the preparers thereof as experts in auditing and accounting. MUB has obtained the consent of Perry & Associates, Certified Public Accountants, A.C. to publish the audited financial statements with this Official Statement.

## **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract or agreement with the purchasers or owners of the Series 2020 A Bonds.

Copies of the Series 2020 A Ordinance, the Act and other applicable documents may be obtained from the Issuer at the following address:

The City of Morgantown  
Attention: City Manager  
389 Spruce Street  
Morgantown, West Virginia 26505

A copy of the Undertaking may be obtained from MUB at the following address:

Morgantown Utility Board  
Attention: Comptroller  
278 Green Bag Road  
Morgantown, WV 26501

During the period of offering of the Series 2020 A Bonds, copies of such documents will be available from the Underwriter. Ongoing financial information may be obtained from the Issuer at the address set forth above or online through EMMA.

This Official Statement has been duly approved and its execution and distribution authorized by the Issuer and MUB.

**THE CITY OF MORGANTOWN (WEST VIRGINIA)**

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
City Manager

**MORGANTOWN UTILITY BOARD**

By: \_\_\_\_\_  
Chairman

**APPENDIX A**

**THE CITY OF MORGANTOWN (WEST VIRGINIA)  
ECONOMIC AND DEMOGRAPHIC DATA**

## APPENDIX A

### General Information for Morgantown, WV



Sources include: US Census  
 City of Morgantown, WV  
[www.stats.indiana.edu/](http://www.stats.indiana.edu/)

The City of Morgantown is the County seat of Monongalia County, located along the Monongahela River and close to the Pennsylvania border, in north central West Virginia. Morgantown is home to West Virginia University, the largest institution of higher education in the State with an annual enrollment of approximately 28,776 students and is the medical, cultural, and commercial hub of the region. The fulltime population in Morgantown is estimated at 30,983.

Within a 500-mile radius of Morgantown is 1/2 of the population of the United States and 1/3 of the population of Canada. Morgantown is one day's drive from 6 of the 8 largest U.S. metropolitan areas, 20 metro areas with populations of 1 million or more, and 22 of the nation's top 35 industrial markets.

Morgantown is located at the intersection of Interstate 79 and Interstate 68, giving visitors and businesses easy access to large cities in all directions.

Morgantown and Monongalia County is one of the major growth areas in the State. Monongalia County has been one of the fastest growing counties in the State over the last two decades. Morgantown and Monongalia County have consistently experienced some of the lowest unemployment rates in the State. Major employers in the City include the National Institute of Occupational Safety and Health (NIOSH), Mylan Pharmaceuticals, and West Virginia University.

#### People & Housing

|                                                                       |        |
|-----------------------------------------------------------------------|--------|
| Population Estimate (2018)                                            | 30,539 |
| H.S. Diploma or More - % of Adults 25+ (2018)                         | 94.5%  |
| Bachelor's Deg. or More - % of Adults 25+ (2018)                      | 52.3%  |
| Households (2018)                                                     | 10,522 |
| Total Housing Units (2018)                                            | 12,508 |
| Percent of Total Units Vacant for Seasonal or Recreational Use (2018) | 0.2%   |

#### Employment & Income

|                                                  |          |
|--------------------------------------------------|----------|
| Labor Force (persons working in the area) (2018) | 15,644   |
| Unemployment Rate (2018)                         | 9.9      |
| Median Household Income (2018)                   | \$41,071 |
| Median Family Income (2018)                      | \$77,042 |
| Poverty Rate (2018)                              | 32.6     |
| Mean Travel Time to Work (minutes) (2018)        | 16.1     |

#### Population by Age, 2018

|                        | Morgantown, WV | % of Total | WV        | % of Total |
|------------------------|----------------|------------|-----------|------------|
| Total                  | 30,539         | 100%       | 1,829,054 | 100%       |
| Preschool (0 to 4)     | 763            | 2.5%       | 99,291    | 5.4%       |
| School Age (5 to 17)   | 2,173          | 7.1%       | 274,082   | 15.0%      |
| College Age (18 to 24) | 12,648         | 41.4%      | 163,597   | 8.9%       |
| Young Adult (25 to 44) | 7,589          | 24.9%      | 439,010   | 24.0%      |
| Adult (45 to 64)       | 4,321          | 14.1%      | 508,355   | 27.8%      |
| Older Adult (65 plus)  | 3,045          | 10.0%      | 344,719   | 18.8%      |
| Median Age*            | 24.6           |            | 42.4      |            |

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

\*Median Age is averaged for combined areas

### Population by Race and Hispanic Origin, 2018

|                                           | Morgantown, WV | % of Total | WV        | % of Total |
|-------------------------------------------|----------------|------------|-----------|------------|
| Total                                     | 30,539         | 100%       | 1,829,054 | 100%       |
| American Ind. or Alaskan Native Alone     | 48             | 0.2%       | 3,668     | 0.2%       |
| Asian Alone                               | 1,258          | 4.1%       | 14,534    | 0.8%       |
| Black Alone                               | 1,386          | 4.5%       | 66,728    | 3.6%       |
| Native Hawaiian and Other Pac. Isl. Alone | 0              | 0.0%       | 350       | 0.0%       |
| White Alone                               | 26,687         | 87.4%      | 1,704,345 | 93.2%      |
| Two or More Race Groups                   | 867            | 2.8%       | 32,139    | 1.8%       |
| Hispanic or Latino                        |                |            |           |            |
| Total Hispanic or Latino                  | 1,043          | 3.4%       | 27,522    | 1.5%       |
| Mexican                                   | 148            | 0.5%       | 10,982    | 0.6%       |
| Cuban                                     | 19             | 0.1%       | 1,359     | 0.1%       |
| Puerto Rican                              | 184            | 0.6%       | 6,288     | 0.3%       |
| Other                                     | 692            | 2.3%       | 8,893     | 0.5%       |

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

### Educational Attainment, 2018

|                                     | Morgantown, WV | % of Total | WV        | % of Total |
|-------------------------------------|----------------|------------|-----------|------------|
| Total Population 25 and Older       | 14,955         | 100.0%     | 1,292,084 | 100.0%     |
| Less Than 9th Grade                 | 236            | 1.6%       | 57,449    | 4.4%       |
| 9th to 12th, No Diploma             | 592            | 4.0%       | 116,781   | 9.0%       |
| High School Graduate (incl. equiv.) | 2,928          | 19.6%      | 523,536   | 40.5%      |
| Some College, No Degree             | 2,543          | 17.0%      | 240,593   | 18.6%      |
| Associate Degree                    | 831            | 5.6%       | 91,975    | 7.1%       |
| Bachelor's Degree                   | 3,885          | 26.0%      | 158,032   | 12.2%      |
| Graduate or Professional Degree     | 3,940          | 26.3%      | 103,718   | 8.0%       |

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

### Households, 2018

|                               | Morgantown, WV | % of Total | West Virginia Households | % of Total |
|-------------------------------|----------------|------------|--------------------------|------------|
| Total Households              | 10,522         | 100.0%     | 734,676                  | 100.0%     |
| Family Households             | 4,497          | 42.7%      | 475,835                  | 64.8%      |
| Married with Children         | 972            | 9.2%       | 114,834                  | 15.6%      |
| Married without Children      | 2,302          | 21.9%      | 244,000                  | 33.2%      |
| Single Parents                | 559            | 5.3%       | 57,614                   | 7.8%       |
| Other                         | 664            | 6.3%       | 59,387                   | 8.1%       |
| Non-family Households         | 6,025          | 57.3%      | 258,841                  | 35.2%      |
| Living Alone                  | 3,922          | 37.3%      | 217,917                  | 29.7%      |
| Average Household Size        | 2.4            |            | 2.4                      |            |
| Average Family Household Size | 3.1            |            | 3.0                      |            |

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

### Housing units, 2018

|                                         | Morgantown, WV | % of Total | WV Units | % of Total |
|-----------------------------------------|----------------|------------|----------|------------|
| Total Housing Units                     | 12,508         | 100.0%     | 890,715  | 100.0%     |
| Owner Occupied                          | 4,515          | 36.1%      | 535,880  | 60.2%      |
| Renter Occupied                         | 6,007          | 48.0%      | 198,796  | 22.3%      |
| Vacant For Seasonal or Recreational Use | 31             | 0.2%       | 43,110   | 4.8%       |
| 1-Unit (Attached or Detached)           | 5,664          | 45.3%      | 546,079  | 61.3%      |
| 2 - 9 Units                             | 2,481          | 19.8%      | 51,946   | 5.8%       |
| 10 - 19 Units                           | 702            | 5.6%       | 12,382   | 1.4%       |
| 20 or more Units                        | 1,352          | 10.8%      | 19,164   | 2.2%       |
| Built prior to 1940                     | 3,299          | 26.4%      | 140,911  | 15.8%      |

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

### Labor Force Averages, 2018

|                   | Morgantown, WV | WV      |
|-------------------|----------------|---------|
| Total Labor Force | 15,644         | 796,365 |
| Employed          | 14,099         | 742,615 |
| Unemployed        | 1,545          | 53,750  |
| Unemployment Rate | 9.9            | 6.7     |

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

### Commuting to Work, 2018

|                                           | Morgantown, WV | % of Total | WV      | % of Total |
|-------------------------------------------|----------------|------------|---------|------------|
| Workers 16 years and over                 | 13,870         | 100.0%     | 727,792 | 100.0%     |
| Car, truck, or van -- drove alone         | 9,126          | 65.8%      | 600,897 | 82.6%      |
| Car, truck, or van -- carpooled           | 841            | 6.1%       | 66,722  | 9.2%       |
| Public transportation (excluding taxicab) | 533            | 3.8%       | 6,627   | 0.9%       |
| Walked                                    | 2,238          | 16.1%      | 20,940  | 2.9%       |
| Other means                               | 282            | 2.0%       | 8,393   | 1.2%       |
| Worked at home                            | 850            | 6.1%       | 24,213  | 3.3%       |
| Mean travel time to work (minutes)        | 16             |            | 26      |            |

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

### Resident Occupations, 2018

|                                                 | Morgantown, WV | % of Total | WV      | % of Total |
|-------------------------------------------------|----------------|------------|---------|------------|
| Employed civilian pop. 16 years and over        | 14,099         | 100.0%     | 742,615 | 100.0%     |
| Management, professional, and related           | 6,581          | 46.7%      | 248,704 | 33.5%      |
| Service                                         | 3,125          | 22.2%      | 144,274 | 19.4%      |
| Sales and office                                | 2,767          | 19.6%      | 164,768 | 22.2%      |
| Farming, fishing, and forestry                  | 22             | 0.2%       | 3,033   | 0.4%       |
| Construction, extraction, and maintenance       | 416            | 3.0%       | 78,368  | 10.6%      |
| Production, transportation, and material moving | 1,188          | 8.4%       | 103,468 | 13.9%      |

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

## General Information for Monongalia County, WV

Sources include: US Census  
 Monongalia County, WV  
[www.stats.indiana.edu/](http://www.stats.indiana.edu/)

American Independence was declared in 1776, the same year Monongalia County was created from Virginia's District of West Augusta. Named Monongalia as it was the land of the Monongahela River, it was home to a few settlers and Native American Tribes of Delaware, Shawnees, and Iroquois. The pioneer spirit of that time infused our county as it grew through the years from a farming and then coal based economy to an educational center with the establishment of West Virginia University in 1867. Artisans and craftsmen created a world famous glass industry in the county that is still present today. Establishment of the Medical Center Complex in 1952 began another avenue of development in medical growth of WVU that would be augmented by the establishment of Mon Health System and Mylan Pharmaceuticals.

Welcome then to Monongalia County, steeped in traditional and progressive values to enable diverse business development. Our mountains, lakes and people invite you to visit and see for yourself what we have to offer. West Virginia is truly wild and wonderful and beckons you to Monongalia County where country roads invite you to explore for yourself.

| People & Income Overview<br>(By Place of Residence)  | Value    |                       | Industry Overview, 2019<br>(By Place of Work)   |              | Value    |                       |
|------------------------------------------------------|----------|-----------------------|-------------------------------------------------|--------------|----------|-----------------------|
|                                                      | Value    | Rank in U.S.          | Value                                           | Rank in U.S. | Value    | Rank in U.S.          |
| Population (2019)                                    | 105,612  | <a href="#">581</a>   | Covered Employment                              |              | 56,824   | <a href="#">449</a>   |
| Growth (%) since 2010 Census                         | 9.8%     | <a href="#">390</a>   | Avg Wage per Job                                |              | \$53,113 | <a href="#">330</a>   |
| Households (2018)                                    | 38,856   | <a href="#">591</a>   | Manufacturing - % All Jobs in County            |              | 5.4%     | <a href="#">2,071</a> |
| Labor Force (persons) (2019)                         | 54,746   | <a href="#">550</a>   | Avg Wage per Job                                |              | \$80,409 | <a href="#">149</a>   |
| Unemployment Rate (2019)                             | 3.6      | <a href="#">1,632</a> | Transportation/Warehousing - % All Jobs Cnty    |              | 1.7%     | <a href="#">1,897</a> |
| Per Capita Personal Income (2018)                    | \$44,679 | <a href="#">1,187</a> | Avg Wage per Job                                |              | \$45,442 | <a href="#">1,819</a> |
| Median Household Income (2018)                       | \$51,070 | <a href="#">1,515</a> | Health Care/Social Assist. - % All Jobs in Cnty |              | 25.0%    | <a href="#">49</a>    |
| Poverty Rate (2018)                                  | 18.3     | <a href="#">780</a>   | Avg Wage per Job                                |              | \$62,885 | <a href="#">91</a>    |
| High School Diploma or More - % of Adults 25+ (2018) | 92.3%    | <a href="#">550</a>   | Finance and Insurance - % All Jobs in Cnty      |              | 1.4%     | <a href="#">2,314</a> |
| Bachelor's Degree or More - % of Adults 25+ (2018)   | 41.3%    | <a href="#">149</a>   | Avg Wage per Job                                |              | \$67,160 | <a href="#">513</a>   |

### Demographics

| Population over Time  | Number  | Rank in U.S.          | % of West Virginia | West Virginia |
|-----------------------|---------|-----------------------|--------------------|---------------|
| 2019                  | 105,612 | <a href="#">581</a>   | 5.9%               | 1,792,147     |
| 2010                  | 96,189  | <a href="#">609</a>   | 5.2%               | 1,852,994     |
| 2000                  | 81,907  | <a href="#">647</a>   | 4.5%               | 1,806,694     |
| 1990                  | 75,532  | <a href="#">608</a>   | 4.2%               | 1,792,481     |
| 1980                  | 75,024  | <a href="#">552</a>   | 3.8%               | 1,950,183     |
| 2000 to 2010 % Change | 17.4%   | <a href="#">404</a>   |                    | 2.6%          |
| 1990 to 2010 % Change | 27.3%   | <a href="#">808</a>   |                    | 3.4%          |
| 1980 to 2010 % Change | 28.2%   | <a href="#">1,057</a> |                    | -5.0%         |

Source: U.S. Census Bureau

| Components of Population Change (1-year change ending in 2019) | Number | Rank in U.S.          | % of WV | WV     |
|----------------------------------------------------------------|--------|-----------------------|---------|--------|
| Net Domestic Migration                                         | -362   | <a href="#">2,801</a> | 5.1%    | -7,073 |
| Net International Migration                                    | -15    | <a href="#">3,034</a> | 4.3%    | -349   |
| Natural Increase (births minus deaths)                         | 340    | <a href="#">425</a>   | -7.3%   | -4,679 |
| Births                                                         | 1,071  | <a href="#">612</a>   | 6.0%    | 17,888 |
| Deaths                                                         | 731    | <a href="#">758</a>   | 3.2%    | 22,567 |

Source: U.S. Census Bureau

| <b>Population Estimates by Age in 2018</b> | <b>Number</b> | <b>Rank in U.S.</b>   | <b>Pct Dist.</b> | <b>Pct Dist. in U.S.</b> |
|--------------------------------------------|---------------|-----------------------|------------------|--------------------------|
| Preschool (0 to 4)                         | 5,309         | <a href="#">643</a>   | 5.0%             | 6.1%                     |
| School Age (5 to 17)                       | 11,843        | <a href="#">747</a>   | 11.3%            | 16.6%                    |
| College Age (18 to 24)                     | 23,190        | <a href="#">301</a>   | 22.0%            | 9.6%                     |
| Young Adult (25 to 44)                     | 30,369        | <a href="#">511</a>   | 28.9%            | 26.4%                    |
| Older Adult (45 to 64)                     | 22,263        | <a href="#">676</a>   | 21.2%            | 26.0%                    |
| Older (65 plus)                            | 12,278        | <a href="#">761</a>   | 11.7%            | 15.2%                    |
| Median Age                                 | 31.2          | <a href="#">3,029</a> |                  | Median Age = 37.9        |

Sources: U.S. Census Bureau; Median age calculated by the IBRC.

| <b>Population Estimates by Race and Hispanic Origin in 2018</b> | <b>Number</b> | <b>Rank in U.S.</b>   | <b>Pct Dist.</b> | <b>Pct Dist. in U.S.</b> |
|-----------------------------------------------------------------|---------------|-----------------------|------------------|--------------------------|
| American Ind. or Alaskan Native Alone                           | 137           | <a href="#">1,489</a> | 0.1%             | 0.8%                     |
| Asian Alone                                                     | 3,774         | <a href="#">373</a>   | 3.6%             | 5.4%                     |
| Black Alone                                                     | 3,795         | <a href="#">934</a>   | 3.6%             | 12.7%                    |
| Native Hawaiian and Other Pac. Isl. Alone                       | 0             | <a href="#">1,769</a> | 0.0%             | 0.2%                     |
| White Alone                                                     | 94,219        | <a href="#">530</a>   | 89.5%            | 72.7%                    |
| Two or More Race Groups                                         | 2,660         | <a href="#">594</a>   | 2.5%             | 3.2%                     |
| Hispanic or Latino (can be of any race)                         |               |                       |                  |                          |
| Non-Hispanic or Latino                                          | 103,070       | <a href="#">529</a>   | 97.9%            | 82.2%                    |
| Hispanic or Latino                                              | 2,182         | <a href="#">1,189</a> | 2.1%             | 17.8%                    |

Sources: U.S. Census Bureau

| <b>Hispanic or Latino Population in 2018 (can be of any race)</b> | <b>Number</b> | <b>Rank in U.S.</b>   | <b>Pct Dist.</b> | <b>Pct Dist. in U.S.</b> |
|-------------------------------------------------------------------|---------------|-----------------------|------------------|--------------------------|
| Hispanic                                                          | 2,182         | <a href="#">1,189</a> | 100%             | 100%                     |
| Mexican                                                           | 698           | <a href="#">1,535</a> | 32.0%            | 62.8%                    |
| Cuban                                                             | 31            | <a href="#">1,154</a> | 1.4%             | 3.9%                     |
| Puerto Rican                                                      | 423           | <a href="#">663</a>   | 19.4%            | 9.6%                     |
| Other                                                             | 1,030         | <a href="#">711</a>   | 47.2%            | 23.7%                    |
| White, Not Hispanic (reporting white alone)                       | 92,582        | <a href="#">491</a>   | N/A              | N/A                      |

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

## Education

| <b>Educational Attainment in 2018</b>      | <b>Number</b> | <b>% of Population 25+</b> | <b>Rank in U.S.</b>   | <b>U.S. % of Population 25+</b> |
|--------------------------------------------|---------------|----------------------------|-----------------------|---------------------------------|
| Total Population 25 and Older              | 64,910        | 100%                       | N/A                   | 100%                            |
| Less than 9th Grade                        | 1,171         | 1.8%                       | <a href="#">2,847</a> | 5.3%                            |
| 9th to 12th, No Diploma                    | 3,834         | 5.9%                       | <a href="#">2,266</a> | 7.1%                            |
| High School Graduate (includes equiv.)     | 18,667        | 28.8%                      | <a href="#">2,475</a> | 27.1%                           |
| Some College, No Degree                    | 10,686        | 16.5%                      | <a href="#">2,907</a> | 20.6%                           |
| Associate Degree                           | 3,724         | 5.7%                       | <a href="#">2,798</a> | 8.4%                            |
| Bachelor's Degree                          | 13,782        | 21.2%                      | <a href="#">342</a>   | 19.4%                           |
| Graduate, Professional or Doctorate Degree | 13,046        | 20.1%                      | <a href="#">73</a>    | 12.1%                           |

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

## Income & Poverty

| Median Income                   | Number   | Rank in U.S.          | Percent of U.S. |
|---------------------------------|----------|-----------------------|-----------------|
| Median Household Income in 2018 | \$51,070 | <a href="#">1,515</a> | 82.5%           |
| Median Household Income in 2000 | \$31,215 | <a href="#">2,226</a> | 74.3%           |
| Percent Change 2000 to 2018     | 63.6%    | <a href="#">253</a>   |                 |

Source: U.S. Census Bureau

| Per Capita Personal Income (PCPI) | Number   | Rank in U.S.          | Percent of U.S. |
|-----------------------------------|----------|-----------------------|-----------------|
| 2018                              | \$44,679 | <a href="#">1,187</a> | 82.1%           |
| 2008                              | \$33,673 | <a href="#">1,263</a> | 82.3%           |
| 1998                              | \$21,494 | <a href="#">1,451</a> | 78.1%           |
| 1988                              | \$13,565 | <a href="#">1,399</a> | 77.8%           |
| 10-Year % Change                  | 32.7%    | <a href="#">13</a>    |                 |
| 20-Year % Change                  | 107.9%   | <a href="#">51</a>    |                 |
| 30-Year % Change                  | 229.4%   | <a href="#">228</a>   |                 |

Source: U.S. Bureau of Economic Analysis

| Personal Income in 2018 (\$000)                        | Number      | 5-Year % Change (adj*) | Rank in U.S.          |
|--------------------------------------------------------|-------------|------------------------|-----------------------|
| <b>Total Earnings by Place of Work</b>                 | \$4,262,647 | 21.5%                  | <a href="#">645</a>   |
| Minus: Contributions for Government Social Insurance   | \$491,105   | 23.1%                  | <a href="#">928</a>   |
| Personal Contributions for Government Social Insurance | \$252,293   | 24.0%                  | <a href="#">1,332</a> |
| Employer Contributions for Government Social Insurance | \$238,812   | 22.1%                  | <a href="#">588</a>   |
| Plus: Adjustment for Residence                         | (\$749,442) | 28.3%                  | <a href="#">1,002</a> |
| Equals: <b>Net Earnings by Place of Residence</b>      | \$3,022,100 | 19.7%                  | <a href="#">770</a>   |
| Plus: Dividends, Rent, Interest                        | \$889,838   | 33.1%                  | <a href="#">1,053</a> |
| Plus: Transfer Payments                                | \$842,761   | 26.5%                  | <a href="#">627</a>   |
| Equals: <b>Personal Income by Place of Residence</b>   | \$4,754,699 | 23.2%                  | <a href="#">705</a>   |

Source: U.S. Bureau of Economic Analysis

| Poverty Estimates                          | Number | Rank in U.S.          | % Change | Rank in U.S.          |
|--------------------------------------------|--------|-----------------------|----------|-----------------------|
| Poverty Rate in 2018                       | 18.3   | <a href="#">780</a>   | --       | --                    |
| In 2000                                    | 14.2   | <a href="#">1,143</a> | 28.9%    | <a href="#">805</a>   |
| Poverty Rate for Children under 18 in 2018 | 13.9   | <a href="#">2,416</a> | --       | --                    |
| In 2000                                    | 14.9   | <a href="#">2,002</a> | -6.7%    | <a href="#">2,661</a> |

Source: U.S. Census Bureau

| Jobs & Earnings (BEA)                                       | Earnings (\$000) | Avg Earnings Per Job | Rank in U.S.          | Jobs   | Pct Dist. in County | Pct Dist. in U.S. |
|-------------------------------------------------------------|------------------|----------------------|-----------------------|--------|---------------------|-------------------|
| <b>BEA Major Sectors (NAICS) in 2018 (by place of work)</b> |                  |                      |                       |        |                     |                   |
| Earnings by place of work - 35                              | \$4,262,647      | \$56,837             | <a href="#">405</a>   | 74,997 | 100.0%              | N/A               |
| Wage and salary disbursements - 50                          | \$3,199,879      | \$50,433             | <a href="#">427</a>   | 63,448 | 84.6%               | N/A               |
| Proprietors' income - 70                                    | \$249,983        | \$21,645             | <a href="#">1,565</a> | 11,549 | 15.4%               | N/A               |
| Farm proprietors' income - 71                               | (\$4,402)        | (\$9,717)            | <a href="#">2,547</a> | 453    | 0.6%                | N/A               |
| Nonfarm proprietors' income - 72                            | \$254,385        | \$22,925             | <a href="#">1,518</a> | 11,096 | 14.8%               | N/A               |
| Farm earnings - 81                                          | (\$3,612)        | (\$7,540)            | <a href="#">2,783</a> | 479    | 0.6%                | N/A               |
| Nonfarm earnings - 82                                       | \$4,266,259      | \$57,251             | <a href="#">393</a>   | 74,518 | 99.4%               | N/A               |
| Private earnings - 90                                       | \$3,201,730      | \$55,607             | <a href="#">351</a>   | 57,577 | 76.8%               | N/A               |
| Forestry, fishing, related activities, and other - 100      | \$1,084          | \$23,063             | <a href="#">913</a>   | 47     | 0.1%                | N/A               |
| Mining - 200                                                | \$58,821         | \$58,238             | <a href="#">522</a>   | 1,010  | 1.3%                | N/A               |
| Utilities - 300                                             | \$63,783         | \$148,332            | <a href="#">222</a>   | 430    | 0.6%                | N/A               |
| Construction - 400                                          | \$240,113        | \$68,898             | <a href="#">439</a>   | 3,485  | 4.6%                | N/A               |
| Manufacturing - 500                                         | \$358,347        | \$99,210             | <a href="#">168</a>   | 3,612  | 4.8%                | N/A               |
| Retail Trade - 700                                          | \$214,465        | \$29,790             | <a href="#">1,054</a> | 7,199  | 9.6%                | N/A               |
| Transportation and warehousing - 800                        | \$62,559         | \$35,625             | <a href="#">1,742</a> | 1,756  | 2.3%                | N/A               |

Information - 900 \$41,943 \$53,773 [872](#) 780 1.0% N/A

Source: U.S. Bureau of Economic Analysis (BEA)

**D** = Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.

**L** = Less than 10 jobs, but the estimates for this item are included in the totals.

**N/A** = Not available or not applicable.

\* = "Other" consists of the number of jobs held by U.S. residents employed by international organizations and foreign embassies and consulates in the United States.

### Jobs & Wages (BLS)

| Annual Covered Employment and Wages Over Time (NAICS) | Establishments | Jobs   | Average Wage Per Job | Rank in U.S.        | Pct of U.S. Avg Wage |
|-------------------------------------------------------|----------------|--------|----------------------|---------------------|----------------------|
| 2019                                                  | 2,725          | 56,824 | \$53,113             | <a href="#">330</a> | 89.7%                |
| 2018                                                  | 2,750          | 56,778 | \$51,669             | <a href="#">336</a> | 90.2%                |
| 2017                                                  | 2,684          | 56,352 | \$50,710             | <a href="#">304</a> | 91.6%                |
| 2016                                                  | 2,657          | 55,283 | \$48,198             | <a href="#">347</a> | 89.9%                |
| 2015                                                  | 2,623          | 55,109 | \$47,577             | <a href="#">365</a> | 89.9%                |
| 2014                                                  | 2,570          | 54,112 | \$45,857             | <a href="#">412</a> | 89.3%                |
| 2013                                                  | 2,531          | 53,972 | \$44,019             | <a href="#">432</a> | 88.4%                |
| 2012                                                  | 2,490          | 53,315 | \$43,181             | <a href="#">449</a> | 87.6%                |
| 2011                                                  | 2,430          | 51,946 | \$42,997             | <a href="#">391</a> | 89.5%                |
| 2010                                                  | 2,372          | 51,635 | \$42,177             | <a href="#">351</a> | 90.2%                |
| 2009                                                  | 2,370          | 49,515 | \$39,521             | <a href="#">455</a> | 86.7%                |
| 10-Year Change                                        | 355            | 7,309  | \$13,592             |                     |                      |
| 10-Year Percent Change                                | 15.0%          | 14.8%  | 34.4%                |                     |                      |

Source: U.S. Bureau of Labor Statistics (BLS)

**D** = Non-Discloseable Data; **N/A** = Not Available; Note: Average wage may not match published numbers due to rounding.

| Annual Industry Distribution of Jobs and Avg. Wage in 2019 (NAICS) | Establishments | Jobs   | Pct. Dist. | Annual Average Wage Per Job | Rank in U.S.          |
|--------------------------------------------------------------------|----------------|--------|------------|-----------------------------|-----------------------|
| Total                                                              | 2,725          | 56,824 | 100.0%     | \$53,113                    | <a href="#">330</a>   |
| Agriculture, Forestry, Fishing and Hunting                         | 9              | 16     | 0.0%       | \$33,180                    | <a href="#">1,231</a> |
| Mining                                                             | 33             | 496    | 0.9%       | \$78,211                    | <a href="#">380</a>   |
| Utilities                                                          | 15             | 440    | 0.8%       | \$106,671                   | <a href="#">304</a>   |
| Construction                                                       | 241            | 2,327  | 4.1%       | \$55,095                    | <a href="#">850</a>   |
| Manufacturing                                                      | 57             | 3,070  | 5.4%       | \$80,409                    | <a href="#">149</a>   |
| Wholesale Trade                                                    | 87             | 878    | 1.5%       | \$102,902                   | <a href="#">42</a>    |
| Retail Trade                                                       | 388            | 5,902  | 10.4%      | \$27,510                    | <a href="#">1,271</a> |
| Transportation & Warehousing                                       | 78             | 950    | 1.7%       | \$45,442                    | <a href="#">1,819</a> |
| Information                                                        | 41             | 559    | 1.0%       | \$53,145                    | <a href="#">806</a>   |
| Finance and Insurance                                              | 133            | 770    | 1.4%       | \$67,160                    | <a href="#">513</a>   |
| Real Estate and Rental and Leasing                                 | 145            | 741    | 1.3%       | \$37,922                    | <a href="#">1,080</a> |
| Professional, Scientific, and Technical Services                   | 267            | 3,006  | 5.3%       | \$66,144                    | <a href="#">692</a>   |
| Management of Companies and Enterprises                            | 37             | 860    | 1.5%       | \$79,525                    | <a href="#">640</a>   |
| Admin. & Support & Waste Mgt. & Rem. Services                      | 138            | 2,635  | 4.6%       | \$41,380                    | <a href="#">488</a>   |
| Educational Services                                               | 62             | 1,942  | 3.4%       | \$43,818                    | <a href="#">463</a>   |
| Health Care and Social Services                                    | 292            | 14,183 | 25.0%      | \$62,885                    | <a href="#">91</a>    |
| Arts, Entertainment, and Recreation                                | 69             | 486    | 0.9%       | \$18,048                    | <a href="#">1,273</a> |
| Accommodation and Food Services                                    | 315            | 6,379  | 11.2%      | \$17,556                    | <a href="#">763</a>   |
| Other Services (Except Public Administration)                      | 272            | 1,789  | 3.1%       | \$39,352                    | <a href="#">325</a>   |
| Public Administration                                              | 43             | 2,241  | 3.9%       | \$62,045                    | <a href="#">442</a>   |
| Unallocated                                                        | 5              | 3      | 0.0%       | \$12,608                    | <a href="#">977</a>   |

Source: U.S. Bureau of Labor Statistics (BLS)

**D** = Not shown to avoid disclosure of confidential information.

**N/A** = This item is not available.

Note: Average wage may not match published numbers due to rounding.

## Labor Force

| Labor Force Annual Averages in 2019 | Number | Rank in U.S.          | % of West Virginia | West Virginia |
|-------------------------------------|--------|-----------------------|--------------------|---------------|
| Total Labor Force                   | 54,746 | <a href="#">550</a>   | 6.9%               | 796,966       |
| 5-Year % Change                     | 8.8%   | <a href="#">385</a>   | --                 | 0.0%          |
| 10-Year % Change                    | 9.8%   | <a href="#">524</a>   | --                 | -2.1%         |
| Employed                            | 52,749 | <a href="#">549</a>   | 7.0%               | 757,852       |
| 5-Year % Change                     | 9.7%   | <a href="#">554</a>   | --                 | 2.9%          |
| 10-Year % Change                    | 10.6%  | <a href="#">876</a>   | --                 | 0.9%          |
| Unemployed                          | 1,997  | <a href="#">547</a>   | 5.1%               | 39,114        |
| 5-Year % Change                     | -10.4% | <a href="#">209</a>   | --                 | -25.3%        |
| 10-Year % Change                    | -9.1%  | <a href="#">26</a>    | --                 | -37.8%        |
| Unemployment Rate                   | 3.6    | <a href="#">1,632</a> | 73.5%              | 4.9           |
| 5-Year % Change                     | -18.2% | <a href="#">448</a>   | --                 | -25.8%        |
| 10-Year % Change                    | -18.2% | <a href="#">109</a>   | --                 | -36.4%        |

Source: U.S. Bureau of Labor Statistics

## Living Arrangements

| Households in 2018       | Number | Rank in U.S.        | Pct. Dist. | Pct. Dist. in U.S. |
|--------------------------|--------|---------------------|------------|--------------------|
| Total Households         | 38,856 | <a href="#">591</a> | 100%       | 100%               |
| Family Households        | 20,482 | <a href="#">694</a> | 52.7%      | 65.7%              |
| Married with Children    | 5,973  | <a href="#">658</a> | 15.4%      | 19.0%              |
| Married without Children | 9,727  | <a href="#">706</a> | 25.0%      | 29.3%              |
| Single Parents           | 2,269  | <a href="#">781</a> | 5.8%       | 8.9%               |
| Other                    | 2,513  | <a href="#">661</a> | 6.5%       | 8.5%               |
| Non-Family Households    | 18,374 | <a href="#">432</a> | 47.3%      | 34.3%              |
| Living Alone             | 13,212 | <a href="#">474</a> | 34.0%      | 27.7%              |
| Average Household Size   | 2.5    | <a href="#">946</a> |            |                    |

Source: U.S. Census Bureau

| Housing Units in 2018              | Number | Rank in U.S.          | Pct. Dist. | Pct. Dist. in U.S. |
|------------------------------------|--------|-----------------------|------------|--------------------|
| Total Housing Units (ACS estimate) | 44,931 | <a href="#">583</a>   | 100%       | 100%               |
| Occupied                           | 38,856 | <a href="#">591</a>   | 86.5%      | 87.8%              |
| Owner Occupied                     | 21,852 | <a href="#">683</a>   | 48.6%      | 56.1%              |
| Renter Occupied                    | 17,004 | <a href="#">442</a>   | 37.8%      | 31.7%              |
| Vacant                             | 6,075  | <a href="#">609</a>   | 13.5%      | 12.2%              |
| For Seasonal or Recreational Use   | 718    | <a href="#">1,161</a> | 1.6%       | 4.0%               |

Source: U.S. Census Bureau

| Residential Building Permits in 2019 | Units | Pct Dist. | Pct Dist. in U.S. | Cost (\$000) |
|--------------------------------------|-------|-----------|-------------------|--------------|
| Total Permits Filed                  | 26    | 100%      | 100%              | \$4,766      |
| Single Family                        | 18    | 69.2%     | 62.2%             | \$2,966      |
| Two Family                           | 0     | 0.0%      | 1.7%              | \$0          |
| Three and Four Family                | 0     | 0.0%      | 1.4%              | \$0          |
| Five Families and More               | 8     | 30.8%     | 34.7%             | \$1,800      |

Source: U.S. Census Bureau

StatsAmerica is a service of the [Indiana Business Research Center](#) at Indiana University's Kelley School of Business. This initiative is funded in part by the U.S. Commerce Department's [Economic Development Administration](#).

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS OF THE MORGANTOWN UTILITY BOARD**

**FOR FISCAL YEAR ENDED JUNE 30, 2019**

## APPENDIX C

### BOOK-ENTRY ONLY SYSTEM

The information in this Appendix has been obtained from sources that the Issuer, the Morgantown Utility Board and the Underwriter believe to be reliable, but none of the Issuer, the Morgantown Utility Board or the Underwriter takes any responsibility for the accuracy thereof.

#### The Depository Trust Company

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2020 A Bonds. The Series 2020 A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020 A Bond certificate will be issued for each maturity of the Series 2020 A Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Series 2020 A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2020 A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2020 A Bonds, except in the event that use of the book-entry system for the Series 2020 A Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2020 A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2020 A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2020 A Bonds documents. For example, Beneficial Owners of Series 2020 A

Bonds may wish to ascertain that the nominee holding the Series 2020 A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2020 A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020 A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2020 A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2020 A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and detail information from the Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Series 2020 A Bonds purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Series 2020 A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2020 A Bonds, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Series 2020 A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2020 A Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Series 2020 A Bonds at any time by giving reasonable notice to the Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2020 A Bonds certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2020 A Bonds certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

**APPENDIX D**  
**PROPOSED FORM OF BOND COUNSEL OPINION**

**APPENDIX E**  
**SERIES 2020 A ORDINANCE**

**APPENDIX F**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

## DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of \_\_\_\_\_, 2020, is executed and delivered by and between the Morgantown Utility Board (the “Board”), and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Board in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Board through the services provided by DAC pursuant to this Disclosure Agreement and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Board or anyone on the Board’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

**SECTION 1. Definitions.** Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Board for the prior Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event Notice, Failure to File Event Notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited

Financial Statements, Notice Event Notice, Failure to File Event Notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted by the Disclosure Dissemination Agent to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Board and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Board pursuant to Section 9 hereof.

“Disclosure Representative” means the duly appointed and acting Comptroller of the Board (the “Comptroller”) or the Comptroller’s designee, or such other person as the Board shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Board’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Material Event Notices, the Failure to File Material Event Notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Board, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by The City of Morgantown, West Virginia (the “City”) and the Board in connection with the Bonds, as listed in Exhibit A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

## SECTION 2. Provision of Annual Reports.

(a) The Board shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee (if any), not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the last day of the Fiscal Year immediately following the end of the Fiscal Year of the Board for which such Annual Report is due, commencing with the Fiscal Year ending June 30, 2020. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Board of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Board will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to

immediately send a Failure to File Event Notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Board irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Board are prepared but not available prior to the Annual Filing Date, the Board shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee (if any) for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Material Event Notice received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Material Event Notice as instructed by the Board pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
  1. “Principal and interest payment delinquencies;”
  2. “Non-Payment related defaults, if material;”
  3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
  4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
  5. “Substitution of credit or liquidity providers, or their failure to perform;”
  6. “Adverse tax opinions, IRS notices or events affecting the tax status of the security;”

7. “Modifications to rights of securities holders, if material;”
  8. “Bond calls, if material;”
  9. “Defeasances;”
  10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
  11. “Rating changes;”
  12. “Tender offers;”
  13. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
  14. “Merger, consolidation, or acquisition of the obligated person, if material;”
  15. “Appointment of a successor or additional trustee (if any), or the change of name of a trustee (if any), if material;”
  16. “Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;”  
and
  17. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.”
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Board pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
  2. “change in obligated person;”
  3. “notice to investors pursuant to bond documents;”

4. “certain communications from the Internal Revenue Service;” other than those communications included in the Rule;
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Board pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “Timing of annual disclosure (120/150 days);”
3. “change in Fiscal Year/timing of annual disclosure;”
4. “change in accounting standard;”
5. “interim/additional financial information/operating data;”
6. “budget;”
7. “investment/debt/financial policy;”
8. “information provided to rating agency, credit/liquidity provider or other third party;”
9. “consultant reports;” and
10. “other financial/operating data;”

(viii) provide the Board evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Board may adjust the Annual Filing Date upon change of its Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Disclosure

Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one Fiscal Year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 11:59 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

### SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Board, including the information provided in the Official Statement as summarized on Exhibit D – FORM OF OPERATING DATA.

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Board is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Board is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

### SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee (if any) or the change of name of a trustee (if any), if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Board shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Board desires to make, contain the written authorization of the Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Board desires for the Disclosure Dissemination Agent to disseminate the information (provided, that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Board or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two (2) business days of receipt of such notice (but in any event not later than the tenth (10<sup>th</sup>) business day after the occurrence of the Notice Event, if the Board determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Board desires to make, contain the written authorization of the Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Board desires for the Disclosure Dissemination Agent to disseminate the information (provided, that such date is not later than the tenth (10<sup>th</sup>) business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Board as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2(e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

**SECTION 5. CUSIP Numbers.** The Board will provide the Disclosure Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

**SECTION 6. Additional Disclosure Obligations.** The Board acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Board, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Board acknowledges and understands that the duties of the Disclosure Dissemination Agent relate

exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

#### SECTION 7. Voluntary Filing.

(a) The Board may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Board desires to make, contain the written authorization of the Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Board desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Board as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Board may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Board desires to make, contain the written authorization of the Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Board desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Board as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Board is not obligated, nor does the Board assume any ongoing responsibility, pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Board from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Board chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Board shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Board and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Board is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Board has appointed Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Board may, upon thirty (30) days written notice to the Disclosure Dissemination Agent and the Trustee (if any), replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Board or DAC, the Board agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Board shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty (30) days' prior written notice to the Board.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Board or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Board has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Board and shall not be deemed to be acting in any fiduciary capacity for the Board, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Board's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Board has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Board at all times.

The obligations of the Board under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Board.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Board and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Board and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided, neither the Board or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than twenty (20) days written notice of the intent to do so together with a copy of the proposed amendment to the Board. No such amendment shall become effective if the Board shall, within ten (10) days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Board, the City, the Trustee (if any) for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws); provided, however, that obligations of the Board shall be governed by, and construed and interpreted in accordance with, the laws of the State of West Virginia.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Board have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
as Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MORGANTOWN UTILITY BOARD

By: \_\_\_\_\_  
Name: Timothy Ball  
Title: General Manager

**EXHIBIT A**

**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer The City of Morgantown (West Virginia)  
Obligated Person(s) Morgantown Utility Board  
Name of Bond Issue: The City of Morgantown (West Virginia) Combined Utility  
System Refunding Revenue Bonds Series 2020 A (Tax Exempt)  
Date of Issuance: \_\_\_\_\_, 2020  
Date of Official Statement \_\_\_\_\_, 2020

|               |                    |               |                    |
|---------------|--------------------|---------------|--------------------|
| CUSIP Number: | <u>61759C</u> ____ | CUSIP Number: | <u>61759C</u> ____ |
| CUSIP Number: | <u>61759C</u> ____ | CUSIP Number: | <u>61759C</u> ____ |
| CUSIP Number: | <u>61759C</u> ____ | CUSIP Number: | <u>61759C</u> ____ |
| CUSIP Number: | <u>61759C</u> ____ | CUSIP Number: | <u>61759C</u> ____ |
| CUSIP Number: | <u>61759C</u> ____ | CUSIP Number: | <u>61759C</u> ____ |
| CUSIP Number: | <u>61759C</u> ____ | CUSIP Number: | <u>61759C</u> ____ |
| CUSIP Number: | <u>61759C</u> ____ | CUSIP Number: | <u>61759C</u> ____ |
| CUSIP Number: | <u>61759C</u> ____ | CUSIP Number: | <u>61759C</u> ____ |
| CUSIP Number: | <u>61759C</u> ____ | CUSIP Number: | <u>61759C</u> ____ |
| CUSIP Number: | <u>61759C</u> ____ | CUSIP Number: | <u>61759C</u> ____ |
| CUSIP Number: | <u>61759C</u> ____ | CUSIP Number: | <u>61759C</u> ____ |

**EXHIBIT B**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Issuer: The City of Morgantown

Obligated Person: Morgantown Utility Board (the “Board”)

Name of Bond Issue: The City of Morgantown (West Virginia) Combined Utility System Refunding Revenue Bonds Series 2020 A (Tax Exempt)

Date of Issuance: \_\_\_\_\_, 2020

Date of Disclosure Agreement: \_\_\_\_\_, 2020

CUSIP Number: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Board has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Board and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Board has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

Digital Assurance Certification, L.L.C., as  
Disclosure Dissemination Agent, on behalf of the  
Board

\_\_\_\_\_

cc:

**EXHIBIT C-1  
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Morgantown Utility Board

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_ Description of Notice Events (Check One):

1. \_\_\_\_\_ "Principal and interest payment delinquencies;"
2. \_\_\_\_\_ "Non-Payment related defaults, if material;"
3. \_\_\_\_\_ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. \_\_\_\_\_ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. \_\_\_\_\_ "Substitution of credit or liquidity providers, or their failure to perform;"
6. \_\_\_\_\_ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. \_\_\_\_\_ "Modifications to rights of securities holders, if material;"
8. \_\_\_\_\_ "Bond calls, if material;"
9. \_\_\_\_\_ "Defeasances;"
10. \_\_\_\_\_ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. \_\_\_\_\_ "Rating changes;"
12. \_\_\_\_\_ "Tender offers;"
13. \_\_\_\_\_ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. \_\_\_\_\_ "Merger, consolidation, or acquisition of the obligated person, if material;"
15. \_\_\_\_\_ "Appointment of a successor or additional trustee (if any), or the change of name of a trustee (if any), if material;"
16. \_\_\_\_\_ "Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;" and
17. \_\_\_\_\_ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties."

\_\_\_\_ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the Board or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date:

**EXHIBIT C-2**  
**VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of \_\_\_\_\_, 2020 between the Morgantown Utility Board and DAC.

Issuer's and/or Other Obligated Person's Name:

Morgantown Utility Board

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_  
\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Event Disclosure (Check One):

1. \_\_\_\_\_ "amendment to continuing disclosure undertaking;"
2. \_\_\_\_\_ "change in obligated person;"
3. \_\_\_\_\_ "notice to investors pursuant to bond documents;"
4. \_\_\_\_\_ "certain communications from the Internal Revenue Service;"
5. \_\_\_\_\_ "secondary market purchases;"
6. \_\_\_\_\_ "bid for auction rate or other securities;"
7. \_\_\_\_\_ "capital or other financing plan;"
8. \_\_\_\_\_ "litigation/enforcement action;"
9. \_\_\_\_\_ "change of tender agent, remarketing agent, or other on-going party;"
10. \_\_\_\_\_ "derivative or other similar transaction;" and
11. \_\_\_\_\_ "other event-based disclosures."

I hereby represent that I am authorized by the Board or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date:

**EXHIBIT C-3**  
**VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of \_\_\_\_\_, 2020 between the Morgantown Utility Board and DAC.

Issuer's and/or Other Obligated Person's Name:

Morgantown Utility Board

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_  
\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Financial Disclosure (Check One):

1. \_\_\_\_\_ "quarterly/monthly financial information;"
2. \_\_\_\_\_ "change in Fiscal Year/timing of annual disclosure;"
3. \_\_\_\_\_ "change in accounting standard;"
4. \_\_\_\_\_ "interim/additional financial information/operating data;"
5. \_\_\_\_\_ "budget;"
6. \_\_\_\_\_ "investment/debt/financial policy;"
7. \_\_\_\_\_ "information provided to rating agency, credit/liquidity provider or other third party;"
8. \_\_\_\_\_ "consultant reports;" and
9. \_\_\_\_\_ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date:

**EXHIBIT D  
FORM OF OPERATING DATA**

**The City of Morgantown (West Virginia)**

Combined Utility System Refunding Revenue Bonds, Series 2020 A, CUSIP: 61759 CA

OPERATING DATA FOR FISCAL YEAR ENDED JUNE 30, 20\_\_

In compliance with the requirements of the Continuing Disclosure Agreements executed by Morgantown Utility Board (the “Board”) in conjunction with the bonds issued with the above-referenced CUSIP, the following Operating Data with respect to the Combined Utility System operated, maintained and managed by the Board is provided for the above-stated Fiscal Year:

**MUB Combined Utility System Retail Customer History**

The average number of retail customers for the Combined Utility System for each of the past ten (10) Fiscal Years are as follows:

| <i>Fiscal Year<br/>(ended June<br/>30)</i> | <i>Water<br/>Customers</i> | <i>Water<br/>Growth<br/>Percentage</i> | <i>Sewer<br/>Customers</i> | <i>Sewer<br/>Growth<br/>Percentage</i> | <i>Stormwater<br/>Customers</i> | <i>Stormwater<br/>Growth<br/>Percentage</i> |
|--------------------------------------------|----------------------------|----------------------------------------|----------------------------|----------------------------------------|---------------------------------|---------------------------------------------|
| 2011                                       |                            |                                        |                            |                                        |                                 |                                             |
| 2012                                       |                            |                                        |                            |                                        |                                 |                                             |
| 2013                                       |                            |                                        |                            |                                        |                                 |                                             |
| 2014                                       |                            |                                        |                            |                                        |                                 |                                             |
| 2015                                       |                            |                                        |                            |                                        |                                 |                                             |
| 2016                                       |                            |                                        |                            |                                        |                                 |                                             |
| 2017                                       |                            |                                        |                            |                                        |                                 |                                             |
| 2018                                       |                            |                                        |                            |                                        |                                 |                                             |
| 2019                                       |                            |                                        |                            |                                        |                                 |                                             |
| 2020                                       |                            |                                        |                            |                                        |                                 |                                             |

**MUB Water System – Customer Data**

The following table sets forth the total potable water sales by the Board in each of the last ten (10) Fiscal Years:

| <i>Fiscal Year<br/>(ended June<br/>30)</i> | <i>Residential</i> | <i>Commercial</i> | <i>Industrial</i> | <i>Public<br/>Authorities</i> | <i>Other/Resale</i> | <i>Total</i> |
|--------------------------------------------|--------------------|-------------------|-------------------|-------------------------------|---------------------|--------------|
| 2011                                       |                    |                   |                   |                               |                     |              |
| 2012                                       |                    |                   |                   |                               |                     |              |
| 2013                                       |                    |                   |                   |                               |                     |              |
| 2014                                       |                    |                   |                   |                               |                     |              |
| 2015                                       |                    |                   |                   |                               |                     |              |
| 2016                                       |                    |                   |                   |                               |                     |              |
| 2017                                       |                    |                   |                   |                               |                     |              |
| 2018                                       |                    |                   |                   |                               |                     |              |
| 2019                                       |                    |                   |                   |                               |                     |              |
| 2020                                       |                    |                   |                   |                               |                     |              |

**MUB Water System – Largest Customers**

The following table sets forth the ten largest customers of the MUB Water System and related annual sales for the Fiscal Year ended June 30, 20\_\_.

|    | <i>Customer</i> | <i>Consumption (gallons in 1,000s)</i> | <i>Sales</i> |
|----|-----------------|----------------------------------------|--------------|
| 1  |                 |                                        |              |
| 2  |                 |                                        |              |
| 3  |                 |                                        |              |
| 4  |                 |                                        |              |
| 5  |                 |                                        |              |
| 6  |                 |                                        |              |
| 7  |                 |                                        |              |
| 8  |                 |                                        |              |
| 9  |                 |                                        |              |
| 10 |                 |                                        |              |
|    | <b>Totals</b>   |                                        |              |

\*Resale Customer

The total Water System Gross Revenue for the Fiscal Year ended June 30, 20\_\_ was \$ \_\_\_\_\_. The ten largest water users represented \_\_% of the Water System Gross Revenue.

**MUB Water System – Water Resale Customers**

The following tables set forth information regarding the Board’s Water Resale Customers for the most recent five (5) Fiscal Years.

MUB Water Resale Customers – Annual Gallons Bulk Water Purchased from the Board (000’s omitted)

| <i>Resale Customer</i> | <i>Fiscal Year 2020</i> | <i>Fiscal Year 2019</i> | <i>Fiscal Year 2018</i> | <i>Fiscal Year 2017</i> | <i>Fiscal Year 2016</i> |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                        |                         |                         |                         |                         |                         |
|                        |                         |                         |                         |                         |                         |
|                        |                         |                         |                         |                         |                         |
|                        |                         |                         |                         |                         |                         |
|                        |                         |                         |                         |                         |                         |
|                        |                         |                         |                         |                         |                         |
| <b>Total</b>           |                         |                         |                         |                         |                         |

MUB Water Resale Customers – Annual Bulk Water Purchases from the Board

| <i>Resale Customer</i> | <i>Fiscal Year 2020</i> | <i>Fiscal Year 2019</i> | <i>Fiscal Year 2018</i> | <i>Fiscal Year 2017</i> | <i>Fiscal Year 2016</i> |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                        |                         |                         |                         |                         |                         |
|                        |                         |                         |                         |                         |                         |
|                        |                         |                         |                         |                         |                         |
|                        |                         |                         |                         |                         |                         |
|                        |                         |                         |                         |                         |                         |
|                        |                         |                         |                         |                         |                         |
|                        |                         |                         |                         |                         |                         |

|              |  |  |  |  |  |
|--------------|--|--|--|--|--|
| <b>Total</b> |  |  |  |  |  |
|--------------|--|--|--|--|--|

For the Fiscal Year ending June 30, 20\_\_, sales of bulk water to the Water Resale Customers represented \_\_% of the Water System's Gross Revenue.

**MUB Sewer System – Customer Data**

The following table sets forth the total sanitary sewer collection and treatment sales by the Board in each of the last ten (10) Fiscal Years:

| <i>Fiscal Year<br/>(ended June<br/>30)</i> | <i>Residential</i> | <i>Commercial</i> | <i>Industrial</i> | <i>Public<br/>Authorities</i> | <i>Other/Resale</i> | <i>Total</i> |
|--------------------------------------------|--------------------|-------------------|-------------------|-------------------------------|---------------------|--------------|
| 2011                                       |                    |                   |                   |                               |                     |              |
| 2012                                       |                    |                   |                   |                               |                     |              |
| 2013                                       |                    |                   |                   |                               |                     |              |
| 2014                                       |                    |                   |                   |                               |                     |              |
| 2015                                       |                    |                   |                   |                               |                     |              |
| 2016                                       |                    |                   |                   |                               |                     |              |
| 2017                                       |                    |                   |                   |                               |                     |              |
| 2018                                       |                    |                   |                   |                               |                     |              |
| 2019                                       |                    |                   |                   |                               |                     |              |
| 2020                                       |                    |                   |                   |                               |                     |              |

**MUB Sewer System – Largest Customers**

The following table sets forth the ten largest customers of the Sewer System and related annual sales for the Fiscal Year ended June 30, 20\_\_.

|    | <i>Customer</i> | <i>Consumption (gallons in<br/>1,000s)</i> | <i>Sales</i> |
|----|-----------------|--------------------------------------------|--------------|
| 1  |                 |                                            |              |
| 2  |                 |                                            |              |
| 3  |                 |                                            |              |
| 4  |                 |                                            |              |
| 5  |                 |                                            |              |
| 6  |                 |                                            |              |
| 7  |                 |                                            |              |
| 8  |                 |                                            |              |
| 9  |                 |                                            |              |
| 10 |                 |                                            |              |
|    | <b>Total</b>    |                                            |              |

\* Resale Customer

The total Sewer System Gross Revenue for the Fiscal Year ended June 30, 20\_\_ was \$\_\_\_\_\_. The ten largest sewer customers represented \_\_% of the Sewer System Gross Revenue.

**MUB Sewer Resale Customers**

The following tables set forth information regarding the Board's Sewer Resale Customers for the most recent five (5) Fiscal Years.

MUB Sewer Resale Customers – Annual Gallons Wastewater Treated by the Board (000's omitted)

| <i>Resale Customer</i> | <i>Fiscal Year<br/>2020</i> | <i>Fiscal Year<br/>2019</i> | <i>Fiscal Year<br/>2018</i> | <i>Fiscal Year<br/>2017</i> | <i>Fiscal Year<br/>2016</i> |
|------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                        |                             |                             |                             |                             |                             |
|                        |                             |                             |                             |                             |                             |
|                        |                             |                             |                             |                             |                             |
|                        |                             |                             |                             |                             |                             |
| <b>Total</b>           |                             |                             |                             |                             |                             |

**MUB Sewer Resale Customers – Annual Treatment Cost Billed by the Board**

| <i>Resale Customer</i> | <i>Fiscal Year<br/>2020</i> | <i>Fiscal Year<br/>2019</i> | <i>Fiscal Year<br/>2018</i> | <i>Fiscal Year<br/>2017</i> | <i>Fiscal Year<br/>2016</i> |
|------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                        |                             |                             |                             |                             |                             |
|                        |                             |                             |                             |                             |                             |
|                        |                             |                             |                             |                             |                             |
|                        |                             |                             |                             |                             |                             |
| <b>Total</b>           |                             |                             |                             |                             |                             |

For the Fiscal Year ended June 30, 20\_\_, payments for sewage transmission and treatment to the Board from Sewer Resale Customers represented \_\_% of the Sewer System Gross Revenue.

**MUB Stormwater System – Largest Customers**

The following table sets forth the largest customers of the Board’s Stormwater System and related annual sales for the Fiscal Year ended June 30, 20\_\_.

|    | <i>Customer</i> | <i>Impermeable Surface (in sq. ft.)</i> | <i>Revenue</i> |
|----|-----------------|-----------------------------------------|----------------|
| 1  |                 |                                         |                |
| 2  |                 |                                         |                |
| 3  |                 |                                         |                |
| 4  |                 |                                         |                |
| 5  |                 |                                         |                |
| 6  |                 |                                         |                |
| 7  |                 |                                         |                |
| 8  |                 |                                         |                |
| 9  |                 |                                         |                |
| 10 |                 |                                         |                |
|    | <b>Total</b>    |                                         |                |

The total stormwater operating revenue for the Fiscal Year ended June 30, 20\_\_ was \$\_\_\_\_\_. The ten largest stormwater customers represented \_\_% of the Stormwater System Gross Revenue.

**MUB Combined Utility System Historical and Projected Coverage**

|                          | 2016 | 2017 | 2018 | 2019 | 2020 | 2021* | 2022* | 2023* |
|--------------------------|------|------|------|------|------|-------|-------|-------|
| Operating Revenues       |      |      |      |      |      |       |       |       |
| Other Operating Revenues |      |      |      |      |      |       |       |       |

**Total  
Operating  
Revenues**

Total O & M  
Expense

Depreciation  
Expense

---

**Operating  
Income**

Non-  
Operating  
Income

---

---

**Available  
for Debt  
Service**

Debt Service  
Requirement

Coverage

\* Projected

**APPENDIX G**  
**BOND INSURER**

## **BOND INSURANCE**

### **BOND INSURANCE POLICY**

Concurrently with the issuance of the Series 2020 A Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Series 2020 A Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Series 2020 A Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **BUILD AMERICA MUTUAL ASSURANCE COMPANY**

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27<sup>th</sup> Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.buildamerica.com](http://www.buildamerica.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at [www.standardandpoors.com](http://www.standardandpoors.com). The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Series 2020 A Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Series 2020 A Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Series 2020 A Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Series 2020 A Bonds, nor does it guarantee that the rating on the Series 2020 A Bonds will not be revised or withdrawn.

#### *Capitalization of BAM*

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$488.7 million, \$143.6 million and \$345.1 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM’s most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM’s website at [www.buildamerica.com](http://www.buildamerica.com), is incorporated herein by reference

and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Series 2020 A Bonds or the advisability of investing in the Series 2020 A Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE”.

*Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at [www.buildamerica.com/videos](http://www.buildamerica.com/videos). (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at [www.buildamerica.com/credit-profiles](http://www.buildamerica.com/credit-profiles). BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Series 2020 A Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Series 2020 A Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Series 2020 A Bonds, whether at the initial offering or otherwise.

**APPENDIX H**  
**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

**APPENDIX I**

**SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY**



## MUNICIPAL BOND INSURANCE COMMITMENT

ISSUER: The City of Morgantown, West Virginia

MEMBER: The City of Morgantown, West Virginia

Effective Date: September 23, 2020

Expiration Date: December 21, 2020

BONDS: Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt)  
in aggregate principal amount not to exceed \$32,490,000

Insurance Payment: 0.180% of the Total Debt Service on the Bonds

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”) hereby commits, subject to the terms and conditions contained herein or added hereto, to issue its Municipal Bond Insurance Policy (the “Policy”) relating to the Bonds referenced above (the “Bonds”) issued by or on behalf of the Member. To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to grant or deny a renewal in its sole discretion.

THE MUNICIPAL BOND INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The documents to be executed and delivered in connection with the issuance and sale of the Bonds (collectively, the “Security Documents”), shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.

2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof (the “Closing Date”).

3. As of the Closing Date, there shall have been no material omissions or material adverse changes in, as to or affecting (i) the Member or the Bonds, including, without limitation, the security for the Bonds or (ii) any disclosure document relating to the Bonds (including any financial statements and other information included or incorporated by reference therein) (the “Official Statement”), the Security Documents to be executed and delivered with respect to the Bonds, any project to be financed with the proceeds of the Bonds (if applicable), the legal opinions to be delivered in connection with the issuance and sale of the Bonds, or any other information submitted to BAM with respect to the issuance and sale of the Bonds, including the proposed debt service schedule of the Bonds, from information previously provided to BAM in writing.

4. The applicable Security Documents shall contain the document provisions set forth in Exhibit A hereto and shall be in form and substance acceptable to BAM. No variation shall be permitted therefrom except as specifically approved by BAM in writing prior to the Closing Date.

5. The Bonds shall contain no reference to BAM, the Policy or the insurance evidenced thereby except as may be approved in writing by BAM. BOND PROOFS SHALL BE APPROVED IN WRITING BY BAM PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form found on BAM’s website ([www.buildamerica.com](http://www.buildamerica.com)) and in Exhibit B hereto entitled “DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS”.

6. The Official Statement shall contain the language provided by BAM and only such other references to BAM as BAM shall supply or approve in writing, and BAM shall be provided with final drafts of any preliminary and final Official Statement at least two business days prior to printing/electronic posting. BAM SHALL BE PROVIDED WITH AN ELECTRONIC COPY OF THE OFFICIAL STATEMENT SEVEN (7) DAYS PRIOR TO CLOSING, unless BAM shall agree in writing to a shorter period.

7. BAM shall be provided with:

(a) Copies of all Security Document drafts prepared subsequent to the date of this Commitment (blacklined to reflect all revisions from previously reviewed drafts) for review and approval. Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period. Copies of all drafts of the Security Documents shall be delivered to the BAM contacts specified in Exhibit 1.

(b) Copies of any consulting reports, feasibility studies, rate reports, engineer’s reports or similar expert reports for review and approval, along with any revisions thereto (blacklined to reflect all revisions from previously reviewed drafts). Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(c) The amortization schedule for, and final maturity date of, the Bonds, which schedule shall be acceptable to BAM. Please be aware that BAM will only insure fixed rate Bonds.

(d) A No-Litigation Certificate or a description of any material pending litigation relating to the Member or the Bonds and any opinions BAM shall request in connection therewith.

(e) A description of any material change in the Member's financial position from and after the date of the financial statements provided to BAM.

(f) Executed copies of all Security Documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to BAM or accompanied by a letter of such counsel permitting BAM to rely on such opinion as if such opinion were addressed to BAM), including, without limitation, the unqualified approving opinion of bond counsel, in form and substance satisfactory to BAM. The foregoing shall be in form and substance acceptable to BAM. (For your information, the form of legal opinion, primary market disclosure certificate and officer's certificate to be delivered by BAM at Closing is attached hereto as Exhibit C.)

(g) Evidence of wire transfer in federal funds of an amount equal to the Insurance Payment, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the Closing Date.

8. In the event the Bonds are sold in a private placement transaction, (i) BAM shall receive a closing certificate, in form and substance acceptable to BAM, covering the matters in Paragraphs 7 (d) and (e), (ii) the Issuer shall agree to provide BAM with continuing disclosure consistent with any Continuing Disclosure Agreement for any previously issued public debt of the Issuer (irrespective of whether or not that debt remains outstanding) or enter into such other agreement for continuing disclosure acceptable to BAM and (iii) the Issuer shall provide BAM with copies of all documents and agreements, including without limitation any term sheet, side agreement and/or purchase agreement, executed or delivered in connection with the Bonds, which documents and agreements shall be in form and substance acceptable to BAM.

9. Bonds must have an underlying, long-term rating of at least:

|    |                           |
|----|---------------------------|
| NR | Standard and Poor's       |
| A1 | Moody's Investors Service |

10. Promptly, but in no event more than thirty (30) days after the Closing Date, BAM shall receive a link to or PDF file of, or two (2) CD-ROMs of, the final closing transcript of proceedings, or if a link or PDF file cannot be provided or a CD-ROM is not available, such other electronic form as BAM shall accept.

11. To maintain this commitment until the Expiration Date set forth above, BAM must receive a copy of the signature page of this Commitment fully executed by an authorized officer of the undersigned by the earlier of the date on which the Preliminary Official Statement containing

disclosure language regarding BAM is circulated and ten (10) days after the date of this Commitment.

## REPRESENTATION AND AGREEMENT BY BAM

(a) BAM is a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York.

(b) BAM covenants that it will only insure obligations of states, political subdivisions, an integral part of states or political subdivisions or entities otherwise eligible for the exclusion of income under Section 115 of the Internal Revenue Code of 1986, as amended, or any successor thereto.

(c) BAM covenants that it will not seek to convert to a stock insurance corporation.

(d) The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law, including the right to receive dividends if and when declared by BAM's Board of Directors. No dividends have been paid to date, and BAM has no current expectation that any dividends will be paid.

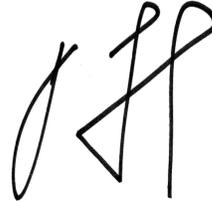
(e) The Policy is non-assessable and creates no contingent mutual liability.

(f) Refundings.

If (1) the Security Documents relating to the Bonds permit a legal defeasance (such that the bonds are no longer treated as outstanding under the Security Documents), (2) refunding bonds ("Refunding Bonds") will be issued for the purpose of legally defeasing such then outstanding BAM-insured Bonds (in this context, the "Refunded Bonds") and (3) upon their issuance (A) such Refunding Bonds have a final maturity date that is not later than the final Maturity Date of the Refunded Bonds, (B) the average annual debt service on the Refunding Bonds does not exceed the average annual debt service on the Refunded Bonds, and (C) the net proceeds of such Refunding Bonds are applied solely towards the legal defeasance of the Refunded Bonds and related costs of issuance, then, if BAM is requested to, and in its sole discretion determines to, offer a municipal bond insurance policy covering the Refunding Bonds (the "Refunding Policy") BAM will credit the then available Member Surplus Contribution for the Refunded Bonds against the insurance payment then charged with respect to the Refunding Bonds (proportionate to the amount of Refunding Bonds insured by BAM). If the Security Documents are silent on the matter of a legal defeasance, BAM may, in its sole and absolute discretion, accept such certificates, opinions and reports from or on behalf of the Member in connection with the issuance of such Refunding Bonds in order to establish to its satisfaction that the Refunding Bonds will be issued to retire the outstanding Refunded Bonds and that the Refunding Bonds comply with the criteria

set forth in clause (3) of the preceding sentence for the purpose of determining whether a supplemental Member Surplus Contribution is or is not required to be made at that time.

**BUILD AMERICA MUTUAL  
ASSURANCE COMPANY**

A handwritten signature in black ink, consisting of a stylized 'J' followed by a large 'P'.

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Authorized Officer

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September 23, 2020

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Date

## AGREED AND ACCEPTED

1. The undersigned agrees and accepts the conditions set forth above and further agrees that (i) if the Bonds (and any of the Bonds to be issued on the same date and for which BAM has issued a commitment) are insured by a policy of municipal bond insurance, such insurance shall be provided by BAM in accordance with the terms of this Commitment; (ii) it has made an independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Bonds and whether the Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore it is not relying on, any recommendation from BAM that the Bonds be insured or that a Policy be obtained, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to insure the Bonds or obtain the Policy; (iv) the undersigned acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the undersigned acknowledges that a credit or claims-paying rating of BAM assigned by a Rating Agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning Rating Agency, any such rating may change or be suspended, placed under review or withdrawn by such Rating Agency if circumstances so warrant, and BAM compensates a Rating Agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; (vi) the undersigned acknowledges that BAM may in its sole and absolute discretion at any time request that a Rating Agency withdraw any rating maintained in respect of BAM; and (vii) BAM has made no representation that any dividend will be declared or paid while the Bonds are outstanding, the undersigned has no reason for expecting that any dividend will be declared or paid and the potential receipt of any dividend was not a reason for acquiring the Policy.

2. The Member further agrees that (i) it is issuing the Bonds to finance the projects described in the Preliminary and Final Official Statements for the Bonds and, in the case of refunding bonds, in the Official Statement for the bonds being refunded, and in such additional information, if any, describing the projects that has been delivered by or on behalf of the Member to BAM (collectively, the "Project"); and (ii) it acknowledges that BAM has designated the Bonds as GreenStar Bonds. Said designation will appear on the cover of and is described under the caption "BOND INSURANCE - BAM GreenStar Bonds" in the Preliminary and Final Official Statements for the Bonds. Said designation will also be included in BAM's Credit Profiles (together with Project status) and on BAM's website; it may also be included on lists of green bonds maintained by third parties.

3. The undersigned member hereby appoints Jeffrey Fried, General Counsel of Build America Mutual Assurance Company ("Build America"), as proxy with the power to appoint his substitute, and hereby authorizes him to represent and to cast all of the votes to which the undersigned is entitled to cast as of the record date for the annual meeting of Build America members to be held on Tuesday, April 27, 2021, or at any adjournment or postponement thereof. This proxy is solicited on behalf of the management of Build America and will empower the holder to vote on the

undersigned member's behalf for the election of members of the Board of Directors and such other business as may properly come before said annual meeting. This proxy can be revoked by giving Build America written notice of revocation (by email to [generalcounsel@buildamerica.com](mailto:generalcounsel@buildamerica.com), or by U.S. mail or private carrier to General Counsel, Build America, 200 Liberty Street, New York, NY 10281) received by Build America on or before April 23, 2021. This proxy may also be revoked if the undersigned member attends the annual meeting and chooses to vote in person.

Notwithstanding anything to the contrary set forth herein, upon issuance of the Policy, the provisions set forth under paragraphs 1., 2. and 3. above and the representations and agreements of BAM shall survive the expiration or termination of this Commitment.

**THE CITY OF MORGANTOWN, WEST VIRGINIA**

By: \_\_\_\_\_  
Authorized Officer

\_\_\_\_\_  
Date

**EXHIBIT A**

**DOCUMENT PROVISIONS**

**GENERAL REVENUE BOND TRANSACTION DOCUMENT  
PROVISIONS**

**The following terms and provisions (the “Insurer Provisions”) shall be incorporated into the Security Documents. If the Insurer Provisions are attached to any of the Security Document as an exhibit, such Security Document shall include a provision that incorporates by reference the Insurer Provisions directly into the Security Documents. The Insurer Provisions shall control and supersede any conflicting or inconsistent provisions in the Security Documents.**

- 1) Notice and Other Information to be given to BAM. The Issuer will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Insured Obligations or the Trustee under the Security Documents.

The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27<sup>th</sup> Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. \_\_\_\_\_, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: [notices@buildamerica.com](mailto:notices@buildamerica.com). In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at [claims@buildamerica.com](mailto:claims@buildamerica.com) or at Telecopier: (212) 235-5214 and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

- 2) Defeasance. The investments in the defeasance escrow relating to Insured Obligation shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

At least (three) 3 Business Days prior to any defeasance with respect to the Insured Obligations, the Issuer shall deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Obligations, a verification report (a “Verification Report”) prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

- a) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond

counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Obligations is excludable) from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld.

- b) The Issuer will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.
- c) The Issuer shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

3) Trustee and Paying Agent.

- a) BAM shall receive prior written notice of any name change of the trustee (the “Trustee”) or, if applicable, the paying agent (the “Paying Agent”) for the Insured Obligations or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (C) otherwise approved by BAM in writing.
- b) No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent shall take effect until a successor, meeting the requirements above or acceptable to BAM, shall be qualified and appointed.

4) Amendments, Supplements and Consents. BAM’s prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The Issuer shall send copies of any such amendments or supplements to BAM and the rating agencies which have assigned a rating to the Insured Obligations.

- a) *Consent of BAM.* Any amendments or supplements to the Security Documents shall require the prior written consent of BAM with the exception of amendments or supplements:
  - i. To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

- ii. To grant or confer upon the holders of the Insured Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Obligations, or
  - iii. To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or
  - iv. To add to the covenants and agreements of the Issuer in the Security Documents other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power therein reserved to or conferred upon the Issuer.
  - v. To issue additional parity debt in accordance with the requirements set forth in the Security Documents (unless otherwise specified herein).
- b) *Consent of BAM in Addition to Bondholder Consent.* Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Insured Obligations or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.
- c) *Insolvency.* Any reorganization or liquidation plan with respect to the Issuer must be acceptable to BAM. The Trustee and each owner of the Insured Obligations hereby appoint BAM as their agent and attorney-in-fact with respect to the Insured Obligations and agree that BAM may at any time during the continuation of any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each owner of the Insured Obligations delegate and assign to BAM, to the fullest extent permitted by law, the rights of the Trustee and each owner of the Insured Obligations with respect to the Insured Obligations in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.
- d) *Control by BAM Upon Default.* Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Obligations or the Trustee or Paying Agent for the benefit of the holders of the Insured Obligations under any

Security Document. No default or event of default may be waived without BAM's written consent.

- e) *BAM as Owner.* Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole owner of the Insured Obligations for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.
- f) *Consent of BAM for acceleration.* BAM's prior written consent is required as a condition precedent to and in all instances of acceleration.
- g) *Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults on the Insured Obligations. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.
- h) *Special Provisions for Insurer Default.* If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs 4(a)-(e) above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Insured Obligations for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

5) Loan/Lease/Financing Agreement.

- a) The security for the Insured Obligations shall include a pledge and assignment of any agreement with any underlying obligor that is a source of payment for the Insured Obligations (a "Financing Agreement") and a default under any Financing Agreement shall constitute an Event of Default under the Security Documents. In

accordance with the foregoing, any such Financing Agreement is hereby pledged and assigned to the Trustee for the benefit of the holders of the Insured Obligations.

- b) Any payments by the Obligor under the Financing Agreement that will be applied to the payment of debt service on the Insured Obligations shall be made directly to the Trustee at least fifteen (15) days prior to each debt service payment date for the Insured Obligations.
- 6) BAM As Third Party Beneficiary. BAM is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.
- 7) Payment Procedure Under the Policy.

In the event that principal and/or interest due on the Insured Obligations shall be paid by BAM pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners.

In the event that on the second (2<sup>nd</sup>) business day prior to any payment date on the Insured Obligations, the Paying Agent or Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Obligations due on such payment date, the Paying Agent or Trustee shall immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify BAM or its designee.

In addition, if the Paying Agent or Trustee has notice that any holder of the Insured Obligations has been required to disgorge payments of principal of or interest on the Insured Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Trustee shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

The Paying Agent or Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Obligations as follows:

- a) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holders of the Insured Obligations in any legal proceeding

related to the payment and assignment to BAM of the claims for interest on the Insured Obligations, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from BAM with respect to the claims for interest so assigned, (iii) segregate all such payments in a separate account (the “BAM Policy Payment Account”) to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (iv) disburse the same to such respective holders; and

- b) If there is a deficiency in amounts required to pay principal of the Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holder of the Insured Obligations in any legal proceeding related to the payment of such principal and an assignment to BAM of the Insured Obligations surrendered to BAM, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from BAM, (iii) segregate all such payments in the BAM Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (iv) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured Obligations paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Obligations registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Obligation shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Obligation or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest on and principal of Insured Obligations disbursed by the Paying Agent or Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Insured Obligations, and BAM shall become the owner of such unpaid Insured Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Security Documents shall not be discharged or terminated unless all amounts due or to become due to BAM have been paid in full or duly provided for.

Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent and Trustee agree for the benefit of BAM that:

- a) They recognize that to the extent BAM makes payments directly or indirectly (*e.g.*, by paying through the Paying Agent or Trustee), on account of principal of or interest on the Insured Obligations, BAM will be subrogated to the rights of such

holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Insured Obligations; and

b) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Obligations, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Obligations to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

8) Additional Payments. The Issuer agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Issuer agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Issuer, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, BAM Reimbursement Amounts shall be, and the Issuer hereby covenants and agrees that the BAM Reimbursement Amounts are, payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Obligations on a parity with debt service due on the Insured Obligations.

9) Debt Service Reserve Fund. The prior written consent of BAM shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Insured Obligations.

10) Exercise of Rights by BAM. The rights granted to BAM under the Security Documents to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Policy. Any exercise by BAM of such rights is merely an exercise

of the BAM's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Obligations and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Obligations or any other person is required in addition to the consent of BAM.

- 11) BAM shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not BAM has received a claim upon the Policy.
- 12) So long as the Insured Obligations are outstanding or any amounts are due and payable to BAM, the Issuer shall not sell, lease, transfer, encumber or otherwise dispose of the Combined Utility System or any material portion thereof, except upon obtaining the prior written consent of BAM.
- 13) No contract shall be entered into or any action taken by which the rights of BAM or security for or source of payment of the Insured Obligations may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of BAM.
- 14) If an event of default occurs under any agreement pursuant to which any Obligation of the Issuer has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Obligations or BAM, as BAM may determine in its sole discretion, then an event of default shall be deemed to have occurred under this Ordinance and the related Security Documents for which BAM or the Trustee, at the direction of BAM, shall be entitled to exercise all available remedies under the Security Documents, at law and in equity. For purposes of the foregoing "Obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Obligations.

15) Definitions.

“BAM” shall mean Build America Mutual Assurance Company, or any successor thereto.

“Insured Obligations” shall mean the The City of Morgantown Combined Utility System Revenue Refunding Bonds, Series 2020 A (Tax Exempt).

“Issuer” shall mean the The City of Morgantown, West Virginia.

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its

principal office in The City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

“Policy” shall mean the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Insured Obligations when due.

“Security Documents” shall mean the resolution, trust agreement, indenture, ordinance, loan agreement, lease agreement, bond, note, certificate and/or any additional or supplemental document executed in connection with the Insured Obligations.

**EXHIBIT B**

**DOCUMENT, PRINTING AND DISCLOSURE  
INFORMATION FOR  
PUBLIC FINANCE TRANSACTIONS**



## **BUILD AMERICA MUTUAL ASSURANCE COMPANY**

### **DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS**

This information is intended for use by bond counsel, the underwriters, financial advisors, printers and preparers of municipal bond offerings that will be insured in whole or in part by Build America Mutual Assurance Company ("BAM").

Prior to any reference to BAM in your marketing efforts, including, but not limited to any preliminary or final Official Statement and any rating agency presentation, in respect of a BAM-insured issue, BAM must receive an executed copy of its Commitment Letter. Blacklined copies of each draft of each transaction document, preliminary and final official statements with Appendices, and bond form(s) should be delivered to BAM for review and comment with reasonable opportunity to submit any comments prior to printing or execution, but in any event not less than three business days prior to execution. Such documents shall be delivered to the BAM attorney working on the transaction. If you are uncertain of the proper person to whom to deliver the documents, please email the documents to: [documents@buildamerica.com](mailto:documents@buildamerica.com). Please identify the issuer, obligor and issue name in the subject line of the email.

BAM will deliver to Bond Counsel, at the pre-closing for any such municipal bond offering (such offering to the extent insured by BAM, the "Insured Obligations"), assuming the requirements of the Commitment Letter have been met,

1. an opinion of counsel as to the validity of the policy,
2. a disclosure, no default and tax certificate of BAM, the executed policy and
3. other certificates, if any, required in the transaction.

Prior to closing, BAM will obtain the rating letter from Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, relating to any Insured Obligations. Note that any questions with regards to rating agency fees should be directed to the rating agency.

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**BAM DIRECTORY**

| <b><u>Name</u></b>                 | <b><u>Title</u></b> | <b><u>Telephone</u></b> | <b><u>Email</u></b>          |
|------------------------------------|---------------------|-------------------------|------------------------------|
| <b><u>BAM ATTORNEYS</u></b>        |                     |                         |                              |
| Brian Siper                        | Deputy Counsel      | 212-235-2562            | bsiper@buildamerica.com      |
| <b><u>CLOSING COORDINATORS</u></b> |                     |                         |                              |
| Claudette Littlejohn               |                     | 212-235-2572            | clittlejohn@buildamerica.com |
| <b><u>BAM ANALYST</u></b>          |                     |                         |                              |
| Gia Calabrese                      |                     | 212-235-2576            | gcalabrese@buildamerica.com  |

**BUILD AMERICA MUTUAL ASSURANCE COMPANY  
("BAM")  
DISCLOSURE INFORMATION  
(FOR INCLUSION IN THE OFFICIAL STATEMENT)**

The following are BAM's requirements for printing the preliminary and final official statements:

1. Both the preliminary and final official statements must contain the information set forth in these Exhibits and BAM must be provided with final drafts for its approval and sign off thereon at least two business days prior to the printing thereof;
2. Any changes made to the BAM Disclosure Information for inclusion in the preliminary and final official statements must first be approved by BAM, and
3. BAM must receive an electronic copy of the final official statement seven (7) days prior to closing, unless BAM shall have agreed to some shorter period.

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**TO BE PRINTED ON THE COVER OF THE OFFICIAL STATEMENT:**

The following language should be used when insuring:

**1. THE ENTIRE ISSUE:**

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

**2. CAPITAL APPRECIATION BONDS:**

The scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

**3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):**

The scheduled payment of principal of and interest on the Bonds maturing on \_\_\_\_\_ of the years \_\_\_\_ through \_\_\_\_\_, inclusive, with CUSIP #(s) \_\_\_\_\_ (collectively, the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

**4. CERTIFICATES OR NOTES:**

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**PRINTER'S NOTE: USE BUILD AMERICA MUTUAL ASSURANCE COMPANY  
LOGO AND INK #PMS BLUE 2736; REDS 199, 201 AND 1817.**

**IF THE BONDS ARE GREENSTAR BONDS, SELECT THE GREENSTAR LOGO**

**THE LOGO MAY BE OBTAINED FROM BAM'S WEBSITE**

**[BAM GreenStar Logo \(for use on qualified official statements\)](#)**

**TO BE PRINTED IN THE BODY OF THE OFFICIAL STATEMENT OR AS AN EXHIBIT**

**USE THE FOLLOWING LANGUAGE WHEN INSURING THE ENTIRE ISSUE:**

**NOTE: The language under the subheading "Bond Insurance Policy" should be modified when insuring Capital Appreciation Bonds, Partial Maturities (less than the entire issue), Certificates and/or Notes.**

## **BOND INSURANCE**

### **BOND INSURANCE POLICY**

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **BUILD AMERICA MUTUAL ASSURANCE COMPANY**

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27<sup>th</sup> Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.buildamerica.com](http://www.buildamerica.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at [www.standardandpoors.com](http://www.standardandpoors.com). The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

## *Capitalization of BAM*

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$488.7 million, \$143.6 million and \$345.1 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.buildamerica.com](http://www.buildamerica.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

## **BAM GreenStar Bonds**

The Bonds have been designated BAM GreenStar Bonds because BAM has determined that the use of bond proceeds by the Issuer as described in this Official Statement and in any additional information obtained by BAM aligns with one of the Green Bond Principals (GBPs) developed by the International Capital Markets Association (ICMA). The GBPs were developed by the ICMA with the goal of establishing universally accepted guidelines for the issuance of green bonds, and one of the key requirements addresses the use of proceeds. BAM has been identified by the ICMA as an observer organization that is active in the field of green and/or social or sustainability finance and is a Climate Bond Initiative approved verifier. The Credit Profile prepared by BAM for the Bonds will identify which of the following GBP categories applies to the Bonds:

1. renewable energy
2. energy efficiency
3. pollution prevention and control
4. environmentally sustainable management of living natural resources and land use
5. terrestrial and aquatic biodiversity
6. clean transportation
7. climate change adaptation
8. sustainable water and wastewater management
9. green buildings.

Each of the GBPs correlates to one of the following UN Sustainable Development Goals which will also be included in the Credit Profile for the Bonds:

1. clean water and sanitation
2. affordable and clean energy
3. sustainable cities and communities
4. industry innovation and infrastructure
5. responsible consumption and production
6. climate action
7. life below water
8. life on land

The BAM GreenStar designation is based upon information obtained by BAM, which information BAM believes to be reliable, at the time of the issuance of the Bonds. BAM does not charge a fee in connection with the designation, does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. The designation is provided on an "AS IS" basis. BAM makes no representation or warranty, express or implied, including, but not limited to, the accuracy, results, timeliness, completeness, merchantability or fitness for

any particular purpose with respect to the designation. A complete description of BAM GreenStar, and its limitations and terms of use, are available on BAM's website <https://buildamerica.com/greenstar> and <https://buildamerica.com/terms-of-use> and incorporated herein by reference. The BAM GreenStar designation is determined solely by BAM; it has not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for such designation.

*Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at [www.buildamerica.com/videos](http://www.buildamerica.com/videos). (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at [www.buildamerica.com/credit-profiles](http://www.buildamerica.com/credit-profiles). BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.



**The Bond Insurance language for the Official Statement under the subheading “Bond Insurance Policy” should be replaced with the following language when insuring:**

**1. CAPITAL APPRECIATION BONDS:**

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

**2. PARTIAL MATURITIES (LESS THAN THE ENTIRE ISSUE):**

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Bonds maturing on \_\_\_\_\_ of the years \_\_\_\_\_ through \_\_\_\_\_, inclusive, with CUSIP #'s\_\_\_\_ (collectively, the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

**3. CERTIFICATES OR NOTES:**

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

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**TO BE PRINTED ON THE INSIDE COVER OF OFFICIAL STATEMENT  
AS PART OF THE DISCLAIMER STATEMENT:**

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “Bond Insurance” and “Exhibit \_\_ - Specimen Municipal Bond Insurance Policy”.

**Specimen Municipal Bond Insurance Policy**



## MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

SPECIMEN

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

200 Liberty Street, 27th floor  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

STATEMENT OF INSURANCE  
(Language for the Bond Form)  
*This form is not to be included in the Official Statement.*

**The Bonds shall bear a Statement of Insurance in the following form.**

**The following language should be used when insuring**

**1. THE ENTIRE ISSUE:**

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, [as paying agent for the Bonds (the “Paying Agent”)] [as trustee for the Bonds (the “Trustee”)]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent] [Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent] [Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the [Resolution/Ordinance/Indenture] or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the [Resolution/Ordinance/Indenture], at law or in equity.

**2. CAPITAL APPRECIATION BONDS:**

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on this Bond to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, as [paying agent for the Bonds (the “Paying Agent”)] as trustee for the Bonds (the “Trustee”)]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent] [Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent] [Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the [Resolution/Ordinance/Indenture] or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the [Resolution/Ordinance/Indenture], at law or in equity.

**3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):**

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bonds maturing on \_\_\_\_\_ of the years \_\_\_\_\_ through \_\_\_\_\_, inclusive (the “Insured Bonds”), to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, [as paying agent for the Bonds (the “Paying Agent”)] [as trustee for the Bonds (the “Trustee”)]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent] [Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent] [Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the [Resolution/Ordinance/Indenture] or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the [Resolution/Ordinance/Indenture], at law or in equity.

**4. CERTIFICATES OR NOTES:**

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.



**PROCEDURES FOR PREMIUM PAYMENT  
TO BAM**

*This form is not to be included in the Official Statement.*

BAM’s issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

**Upon determination of the final debt service schedule, email or fax such schedule to the appropriate BAM Underwriter**

Gia Calabrese

Phone No.: 212-235-2576

Email: gcalabrese@buildamerica.com

**Confirm with the individual in our underwriting department that you are in agreement with respect to par and premium on the transaction prior to the closing date.**

Payment Date:           Date of Delivery of the Insured Bonds.

Method of Payment: Wire transfer of Federal Funds.

**Wire Transfer Instructions:**

**Bank:**                   First Republic Bank  
**ABA#:**                   321081669  
**Acct. Name:**       Build America Mutual Assurance Company  
**Account No.:**       80001613703  
**Policy No.:**       @@POLICY\_NO@@ - **(Include in OBI Field)**

**CONFIRMATION OF PREMIUM**

BAM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated to the Closing Coordinator on the closing date:

|                      |                |
|----------------------|----------------|
| Deneica Glenn        | (212) 235-2552 |
| Patrice James        | (212) 235-2559 |
| Claudette Littlejohn | (212) 235-2572 |
| Nolan Miller         | (212) 235-2511 |

**EXHIBIT C**

**BAM LEGAL OPINION AND CERTIFICATE**

[CLOSING DATE]

[ADDRESSEES (ISSUER, UNDERWRITER AND TRUSTEE)]

Re: Municipal Bond Insurance Policy No. [POLICY NO.] With Respect to  
\$\_\_\_\_ [Name of Issuer] (the "Issuer")  
\_\_\_\_ Bonds, Series \_\_\_\_ (the "Bonds")

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policy has been duly authorized, executed and delivered by BAM.
3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.
4. The issuance of the Policy qualifies [the Issuer] as a member of BAM until [the Bonds] are no longer outstanding. As a member of BAM, [the Issuer] is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Policy under the caption "BOND INSURANCE" in the official statement relating to the above-referenced Bonds dated [DATE] (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy referred to above, as of the date of the Official Statement or as of the date of

this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that I express no opinion with respect to any information contained in, or omitted from, "the Official Statement".

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addressee hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

**DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF  
BUILD AMERICA MUTUAL ASSURANCE COMPANY**

The undersigned hereby certifies on behalf of BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), in connection with the issuance by BAM of its Policy No. [POLICY NO.] (the “Policy”) in respect of the [\$AMOUNT] [NAME OF TRANSACTION] (the “Bonds”) that:

(i) The information set forth under the caption “BOND INSURANCE-BUILD AMERICA MUTUAL ASSURANCE COMPANY” in the official statement dated [DATE], relating to the Bonds (the “Official Statement”) is true and correct;

(ii) BAM is not currently in default nor has BAM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation;

(iii) The Policy is an unconditional and recourse obligation of BAM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds when due in the event of Nonpayment by the Issuer (as set forth in the Policy);

(iv) The insurance payment (inclusive of the sum of the Risk Premium and the Member Surplus Contribution) (the “Insurance Payment”) is solely a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to BAM as a condition to the issuance of the Policy;

(v) BAM will, for federal income tax purposes, treat the Insurance Payment as solely in consideration for the insurance risk it assumes in the Policy and not as consideration for an investment in BAM or its assets;

(vi) No portion of such Insurance Payment represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by BAM to maintain its rating, which, together with all other overhead expenses of BAM, are taken into account in the formulation of its rate structure, or for the provision of additional services by BAM, or represents a direct or indirect payment for any goods or services provided to the Issuer (including the right to receive a dividend), or the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor);

(vii) BAM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Insurance Payment, BAM will not use any portion of the Bond proceeds;

(viii) Except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by BAM;

(ix) (a) BAM has not paid any dividends to date, (b) BAM's Board of Directors has resolved that BAM's priorities for surplus, as it accumulates, will be to preserve capital strength and claims paying resources for the benefit of its members and secondarily to

return value by reducing premiums charged for its insurance, and (c) BAM has no current expectation that any dividends will be paid;

(x) BAM does not expect that a claim or any other payment will be made on or with respect to the Policy or by BAM to the Issuer; and

(xi) Neither the Issuer nor any other Obligor is entitled to a refund of the Insurance Payment for the Policy in the event a Bond is retired before the final maturity date.

BAM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

BUILD AMERICA MUTUAL  
ASSURANCE COMPANY

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Authorized Officer

Dated: [CLOSING DATE]

**Primary Market Disclosure Certificate  
[Bond Description] (the “Insured Bonds”)**

For the benefit of \_\_\_\_\_ (the “Issuer”), and acknowledging that the Issuer will be relying on the contents hereof in addressing certain tax and disclosure items and for other matters, Build America Mutual Assurance Company (“Build America”) makes the following representations and warranties as of the date hereof:

1. Neither Build America nor any affiliate of Build America has purchased, or has committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise;
2. Neither Build America nor any affiliate of Build America has entered into any agreement or understanding regarding the purchase or sale of the Insured Bonds, except for the insurance policies that Build America has provided regarding payments due under the Insured Bonds and the documentation associated with said insurance policies.

For the purposes of this certificate, “affiliate of Build America” means a person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, Build America.

[dated as of the closing date]

Build America Mutual Assurance Company

By

\_\_\_\_\_  
Authorized Officer



**MUNICIPAL BOND DEBT SERVICE RESERVE  
INSURANCE COMMITMENT**

Issuer: The City of Morgantown, West Virginia      Effective Date: September 23, 2020

Member: The City of Morgantown, West Virginia      Expiration Date: December 21, 2020

Bonds: Combined Utility System Refunding  
Revenue Bonds, Series 2020 A (Tax  
Exempt) insured by BAM in aggregate  
principal amount not to exceed  
\$32,490,000

Premium: 2.50% of Policy Limit

Policy Limit: An amount not to exceed the debt service reserve requirement for the Bonds insured by BAM as set forth in the Security Documents (the “Reserve Account Requirement”). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement in accordance with the Security Documents.

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), a New York mutual insurance corporation, hereby commits to issue its Municipal Bond Debt Service Reserve Insurance Policy (the “Reserve Policy”), in the form attached hereto as **Exhibit A**, relating to the above-described debt obligations (the “Bonds”), subject to the terms and conditions contained herein or added hereto. All terms used herein and not otherwise defined shall have the meanings ascribed to them in the Bond Insurance Commitment referred to in Paragraph 1 below or, if not defined therein, in the Debt Service Reserve Agreement referred to in Paragraph 3(a) below.

To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to deny or grant a renewal in its sole discretion. To keep the Commitment in effect to the Expiration Date set forth above, BAM must receive a duplicate of this Commitment executed by an authorized officer of the Issuer within ten days of the date of this Commitment.

THE RESERVE POLICY SHALL BE ISSUED UPON SATISFACTION OR THE WAIVER BY BAM OF THE FOLLOWING CONDITIONS, AND THE ISSUER AGREES AS FOLLOWS:

1. **Conditions to Municipal Bond Policy Satisfied.** All conditions required under the Municipal Bond Insurance Commitment, dated September 23, 2020 issued by BAM with respect to the Bonds (the “Bond Insurance Commitment”) for the issuance of the municipal bond insurance policy to be issued thereunder shall have been satisfied and the Bonds are simultaneously insured by BAM. All conditions set forth in this Commitment shall be in addition to the requirements set forth in Bond Insurance Commitment.
2. **The Transaction Documents** shall contain the document provisions set forth in **Exhibit B** hereto.
3. **Agreement and Related Opinions.** BAM shall be provided with the following:
  - (a) A copy of the Debt Service Reserve Agreement, substantially in the form of **Exhibit C**, duly executed by the Issuer, subject only to such changes as shall be agreed to by BAM, as evidenced by BAM’s execution thereof (For your information, the form of legal opinion to be delivered by BAM at closing is attached hereto as **Exhibit D**).
  - (b) An opinion(s) of bond counsel or other counsel acceptable to BAM, addressed and in form and substance satisfactory to BAM, as to (i) the due authorization, validity and enforceability of the Debt Service Reserve Agreement, and (ii) if applicable, the Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund or account (the “Reserve Fund”) under the Security Documents, and as to such other matters as BAM shall reasonably request.
  - (c) Evidence of wire transfer of immediately available funds in an amount equal to the Premium stated above, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the delivery date of the Reserve Policy. Please see “Procedures for Premium Payment” attached hereto.
4. **Security for Repayment of Draws under the Reserve Policy, and Policy Costs.** The Security Documents shall secure repayment of draws under the Reserve Policy and all Policy Costs consistent with the terms of the Debt Service Reserve Agreement.
5. **Payments Due under the Policy.** All amounts on deposit under the Security Documents available to pay debt service on the Bonds (exclusive of the Reserve Policy) shall be used to pay such debt service before any drawing may be made on the Reserve Policy or any other credit facility. Draws on the Reserve Policy may be used only to pay principal of and/or interest on the Bonds.
6. **Ascertainment of Amounts to be Drawn.** The Security Documents shall require the Trustee or Paying Agent to determine the necessity for a claim upon the Reserve Policy and to provide notice to BAM in accordance with the terms of the Reserve Policy.
7. **Final Documents.** Copies of all transaction documents and opinions required by this Commitment prepared subsequent to the date of this Commitment (black-lined to reflect all

revisions from previously reviewed drafts) shall be furnished to BAM for review and approval at the same time and in the same manner as other transaction documents are required to be provided under (and as defined in) the Bond Insurance Commitment.

8. **Expiration of the Reserve Policy.** The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

**Closing Transcript.** The closing transcript required to be provided to BAM pursuant to the Bond Insurance Commitment shall include all transaction documents and opinions required by this Commitment.

**BUILD AMERICA MUTUAL ASSURANCE COMPANY**

A handwritten signature in black ink, consisting of stylized, overlapping loops and vertical strokes.

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Authorized Officer

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September 23, 2020

Date

**THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK**

AGREED AND ACCEPTED

The undersigned, an authorized officer of the Issuer, agrees and accepts the conditions set forth above and further agrees that (i) if the debt service reserve fund requirement for the Bonds is met by a credit instrument, such credit instrument shall be a Reserve Policy provided by BAM in accordance with the terms of this Commitment; (ii) the Issuer has made an independent investigation and decision as to whether to satisfy its reserve fund requirement with the Reserve Policy or whether the Reserve Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore the Issuer is not relying on, any recommendation from BAM that the Issuer satisfy its reserve fund requirement with or obtain the Reserve Policy, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Reserve Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to insure the Bonds or obtain the Reserve Policy; (iv) the Issuer acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the Issuer acknowledges that a credit or claims-paying rating of BAM assigned by a Rating Agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning Rating Agency, any such rating may change or be suspended, placed under review or withdrawn by such Rating Agency if circumstances so warrant, and BAM compensates a Rating Agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; and (vi) the Issuer also acknowledges that BAM may in its sole and absolute discretion at any time request that a Rating Agency withdraw any rating maintained in respect of BAM. Notwithstanding anything to the contrary set forth herein, the provisions set forth under subparagraphs (ii) through (vi) above shall survive the expiration or termination of this Commitment.

**THE CITY OF MORGANTOWN, WEST VIRGINIA**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PROCEDURES FOR PREMIUM PAYMENT  
TO  
BUILD AMERICA MUTUAL ASSURANCE COMPANY  
("BAM")**

BAM's issuance of its municipal bond debt service reserve insurance policy at bond closing is contingent upon payment and receipt of the Premium. **NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED BY BAM.** Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of Amount to be Paid: **Upon determination of the final debt service reserve fund requirement, fax or email such schedule to BAM**  
Attention: Gia Calabrese  
Email: gcalabrese@buildamerica.com  
Phone No.: 212-235-2576  
Fax No.: 212-962-1524

**Confirm with BAM's credit analyst that you are in agreement with respect to Reserve Fund Policy Limit and Premium on the transaction prior to the closing date.**

Payment Date:                      Date of Delivery of the Bonds.

Method of Payment:              Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank: First Republic Bank  
ABA#: 321081669  
Acct. Name: Build America Mutual Assurance Company  
Account No.: 80001613703  
Policy No.: POLICY# \_\_\_\_\_ (Include in OBI Field)

**CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING**

BAM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to Claudette Littlejohn, Closing Coordinator, 212-235-2572, email: [clittlejohn@buildamerica.com](mailto:clittlejohn@buildamerica.com).

**EXHIBIT A**

**Specimen Municipal Bond Debt Service Reserve Insurance Policy**



**MUNICIPAL BOND DEBT  
SERVICE RESERVE  
INSURANCE POLICY**

ISSUER: ISSUER\_NAME, STATE\_NAME

Policy No:

MEMBER: MEMBER\_COMPANY,  
STATE\_NAME

Effective Date:

BONDS: \$ \_\_\_\_\_ in aggregate  
principal amount of

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

Maximum Policy Limit: \$

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. If the amount payable under this Policy is also payable under another BAM issued policy insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “**Business Day**” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. “**Debt Service Reserve Agreement**” means the Debt Service Reserve Agreement, if any, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. “**Due for Payment**” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “**Nonpayment**” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “**Notice**” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “**Owner**” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. “**Policy Limit**” means the dollar amount of the debt service reserve fund required to be maintained for the

Bonds by the Security Documents from time to time (the “Reserve Account Requirement”), or the portion of the Reserve Account Requirement for the Bonds provided by this Policy as specified in the Security Documents or Debt Service Reserve Agreement, if any, but in no event shall the Policy Limit exceed the Maximum Policy Limit set forth above. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of or, if this Policy is only providing a portion of the Reserve Account Requirement, in the same proportion as, each reduction in the Reserve Account Requirement, as provided in the Security Documents or Debt Service Reserve Agreement. “**Security Documents**” means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement and any additional or supplemental document executed in connection with the Bonds. “**Term**” means the period from and including the Effective Date until the earlier of (i) the maturity date for the Bonds and (ii) the date on which the Bonds are no longer outstanding under the Security Documents.

BAM may appoint a fiscal agent (the “Insurer’s Fiscal Agent”) for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer’s Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer’s Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer’s Fiscal Agent on behalf of BAM. The Insurer’s Fiscal Agent is the agent of BAM only, and the Insurer’s Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer’s Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy is being issued under and pursuant to and shall be construed under and governed by the laws of the State of New York, without regard to conflict of law provisions.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE  
COMPANY

By: \_\_\_\_\_  
Authorized Officer

SPECIMEN

## Schedule

### Notices (Unless Otherwise Specified by BAM)

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

200 Liberty Street, 27<sup>th</sup> floor  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]  
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. \_\_\_\_\_ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Security Documents or Debt Service Reserve Agreement, if any, and, as of the date hereof, the Policy Limit is \$ \_\_\_\_\_, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL ASSURANCE  
COMPANY

By: \_\_\_\_\_

Name:

Title:

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in the Ordinance, the Issuer and the Trustee agree to comply with the following provisions:

- (a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the “Reserve Policy”) and pay all related reasonable expenses incurred by BAM (the “Bond Insurer”). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Bond Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Bond Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Debt Service Reserve Fund established for the Bonds shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Reserve Fund Credit Instrument in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Fund. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

- (b) Draws under the Reserve Policy may only be used to make payments on Bonds insured by the Bond Insurer.
- (c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Ordinance other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect owners of the Bonds.
- (d) The Ordinance shall not be discharged until all Policy Costs owing to the Bond Insurer shall have been paid in full. The Issuer's obligation to pay such amount shall expressly survive payment in full of the Bonds.
- (e) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to the Bond Insurer at least three business days prior to each date upon which interest or principal is due on the Bonds.
- (f) The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.
- (g) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Ordinance.

## EXHIBIT C

### DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated \_\_\_\_\_ (the “Agreement”), by and between The City of Morgantown, West Virginia (the “Obligor”) and BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”).

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. @@POLICY\_NO@@ (the “Reserve Policy”) with respect to the The City of Morgantown, West Virginia, Combined Utility System Refunding Revenue Bonds, Series 2020 A (Tax Exempt) (the “Insured Obligations”) issued under the [Indenture/Resolution/Ordinance] dated as of \_\_\_\_\_, between the [Obligor] [Issuer] and the [Trustee] (the “Trustee”) (the “Authorizing Document”) [, which bonds are secured by the [Lease/Loan] payments of the Obligor under the [Lease/Loan] Agreement dated as of \_\_\_\_\_ [the “[Lease/Loan] Agreement”] between the Issuer and the Obligor and the other revenue and collateral described in the Authorizing Document,] and the payment to BAM of the Insurance Payment for the Reserve Policy, the Obligor, Issuer and BAM hereby covenant and agree as follows:

1. The Obligor shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base-lending rate of such national bank as BAM shall designate.
2. Repayment of draws and payment of Administrative Expenses and the interest accrued thereon at the Late Payment Rate (collectively, “Policy Costs”) shall commence in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due.
3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.
4. All cash and investments in the debt service reserve fund or account securing the Insured Obligations (the “Reserve Fund”) shall be transferred to the debt service fund for payment

of debt service on the Insured Obligations before any drawing may be made on the Reserve Policy or on any alternative credit instrument. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all alternative credit instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such alternative credit instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to alternative credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

5. Draws on the Reserve Policy may only be used to make payments on the Insured Obligations (and for the avoidance of doubt, not any other obligations of the *[Issuer or]* Obligor, whether issued on parity with the Insured Obligations, or otherwise).
6. If the Obligor shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document, other than (i) acceleration of the maturity of the Insured Obligations or (ii) remedies which would adversely affect owners of the Insured Obligations.
7. The Authorizing Document shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Obligor’s obligation to pay such amounts shall expressly survive payment in full of the Insured Obligations.
8. In order to secure the Obligor’s payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Insured Obligations) in all revenues and collateral pledged as security for the Insured Obligations.
9. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Authorizing Document.
10. The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Insured Obligations. Where deposits are required to be made by the Obligor with the Trustee to the debt service fund for the Insured Obligations more often than semi-annually, the Trustee shall give notice to BAM of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.

11. The Obligor agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Document and any other document executed in connection with the Insured Obligations ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Obligor agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.
12. The obligation of the Obligor to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Obligor and will be paid or performed strictly in accordance with this Agreement.
13. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Document or any other document executed in connection with the Insured Obligations, the Obligor shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.
14. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. \_\_\_\_\_, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: [notices@buildamerica.com](mailto:notices@buildamerica.com); with a copy of such notice or other communication sent to the attention of the General Counsel at the same address and at [claims@buildamerica.com](mailto:claims@buildamerica.com) or at Telecopier: (212) 235-5214.
15. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Document, the terms of this Agreement shall control.
16. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.
17. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.

18. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

THE CITY OF MORGANTOWN, WEST VIRGINIA

By: \_\_\_\_\_  
Title:

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Title:

**EXHIBIT D**

**BAM LEGAL OPINION**



[CLOSING DATE]

[ADDRESSEES (ISSUER, UNDERWRITER AND TRUSTEE)]

Re: Bond Insurance Policy: Municipal Bond Insurance Policy No. [POLICY NO.]  
DSR Policy: Debt Service Reserve Policy No. [POLICY NO.]  
Member:  
Bonds:  
Official Statement: dated [ ]

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company (“BAM”). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced Bond Insurance Policy and DSR Policy (collectively, the “Policies”). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policies have been duly authorized, executed and delivered by BAM.
3. Each of the Policies constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.
4. The issuance of the Policies qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM’s charter and by-laws and as may otherwise be provided under New York law. The Policies are non-assessable and create no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Bond Insurance Policy under the caption “BOND INSURANCE” in the Official Statement related to the above-referenced Bonds. There has not come to my attention any information which would cause me to believe that the description of the Bond Insurance Policy, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material

fact necessary to the make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that except as described above, I express no opinion with respect to any information contained in, or omitted, from the Official Statement.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addresses hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

**AN ORDINANCE AMENDING CITY CODE  
TO ESTABLISH PARKING VIOLATION FEES**

The City of Morgantown hereby ordains that City Code Section 363.08, Paragraph (e), is amended as follows:

**ARTICLE 363  
Parking Meters**

**Section 363.08. Parking Time Limits and Fees.**

(e) Overtime. The following fines will be assessed for parking beyond the legally permitted time:

(1) Downtown Street Parking Zone: ~~Twenty dollars (\$20.00)~~ \$20.00 for the first violation in each calendar year and ~~one hundred dollars (\$100.00)~~ \$100.00 for each subsequent violation in a calendar .

(2) Off-street Parking lots: ~~Five dollars (\$5.00)~~ \$5.00 for each violation of permissible metered time. ~~Twenty dollars (\$20.00)~~ \$20.00 for parking in excess of an applicable twenty-four consecutive hour limit.

(3) Other parking zones: ~~Five dollars (\$5.00)~~ \$5.00 for each violation.

(4) If any fine established by this section is not paid within ~~ten (10)~~ 10 days from date of issue, the fine will be increased by ~~five dollars (\$5.00)~~ \$5.00, plus municipal court costs, if any. If any fine established by this section is not paid within 1 year from date of issue, the fine will be increased by an additional \$20.00, plus municipal court costs, if any.

This ordinance is effective upon adoption.

FIRST READING: \_\_\_\_\_

\_\_\_\_\_

Mayor

SECOND READING: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

\_\_\_\_\_

City Clerk

FILED: \_\_\_\_\_

**AN ORDINANCE AMENDING ARTICLE 917 ENTITLED “COMMUNITY FORESTRY”**

The City of Morgantown hereby ordains that Article 917 of the City Code is amended as follows:

**917.01 PURPOSE.**

This article establishes policies, regulations, and standards necessary to ensure that the City will continue to realize the benefits provided by its community forest. The provisions of this article are enacted to:

- (a) Create a desirable environment that protects the public health, comfort, safety and welfare of Morgantown residents, businesses and industries;
- (b) Establish and maintain the maximum sustainable amount of tree cover on public and private lands in the City;
- (c) Establish minimum site management requirements for trees protected by this article;
- (d) Establish and maintain appropriate diversity in tree species and age classes to provide a stable and sustainable community forest;
- (e) Moderate effects of the sun, wind and temperature changes;
- (f) Promote energy efficiency and conservation;
- (g) Decrease storm water runoff;
- (h) Filter pollutants from the air and release oxygen;
- (i) Buffer noise and visual pollution;
- (j) Stabilize soil and prevent erosion;
- (k) Improve and maintain City gateways, streets, parking areas, parks and neighborhoods; and commercial districts
- (l) Support traffic calming;
- (m) Increase property values and protect investment;
- (n) Preserve exceptional trees;
- (o) Screen incompatible land uses;
- (p) ~~Provide habitat for wildlife~~ Maintain and Improve habitat for wildlife in corridors and riparian areas;
- (q) Encourage public education about trees and landscaping and their value.

**917.02 DEFINITIONS.**

For the purposes of this article, the following terms, phrases, words and their derivations shall have the meaning herein given:

- (a) ~~"Adopted tree care standards" are those standards of tree maintenance, trimming clearances, and methods of protection during construction, as established in the American National Standards Institute (ANSI) Standard A300, National Standard for Tree Care Operations—Tree, Shrub and Other Woody Plant Maintenance—Part 1—Standards Pruning Practices, as may be amended. The above standards are adopted with the understanding that any requirements therein referring to ANSI Z133.1 safety standards are deleted. The City Manager is authorized to issue waivers from the above A300 requirements to individuals on a case-by-case basis should a request for a waiver be made to him/her and he/she believes the~~

granting of such a waiver to be fully justified, as evidenced by a written determination indicating the reason for waiver, including a statement identifying how the waiver promotes the purpose of ANSI Standard A300.

- ~~—(b) "Urban Tree Canopy" means the shade a tree will provide at maturity refers to the layer of tree leaves, branches and stems that provide tree coverage of the ground when viewed from above.~~
- ~~—(c) "City" means City of Morgantown, West Virginia.~~
- ~~—(d) "City Forester" means the City Manager or his/her designee, who shall be responsible for the implementation and enforcement of all requirements contained within this article.~~
- ~~—(e) "Commercial Tree Expert" means a person who has received Certified Arborist status from the International Society of Arboriculture.~~
- ~~—(f) "Commercial Tree Pruner/Service" means a person who performs work on trees for profit.~~
- ~~—(g) "Community Forest" means trees and vegetation located within an urban area. Community forestry is the management of these urban resources for the improvement of the economic, environmental, and social well-being of the community.—~~
- ~~—(h) "Critical Root Zone" means an area surrounding a tree trunk that is delineated one foot outside of the drip line of the tree.~~
- ~~—(i) "Crown Reduction" means pruning to reduce height or size of a tree by cutting limbs back to a point of origin or back to laterals capable of sustaining the remaining limb. "Topping" is not a proper technique to reduce a crown.~~
- ~~—(j) "Diameter Breast Height (DBH)" means the diameter of a tree at a point four and one-half feet above the ground. DBH shall be measured from the uphill side of a tree.~~
- ~~—(k) "Dripline" means an imaginary vertical line that extends downward from the outer most tips of the tree branches to the ground.~~
- ~~—(l) "Environmentally Sensitive Areas" means wetlands, riparian corridors, landslide-prone areas, steep slopes, and fish and wildlife areas that have been so designated by the controlling governmental department or agency.~~
- ~~—(m) "Exceptional Tree" means a tree located on public or private land designated as exceptional due to historic association, rare tree species or extraordinary value because of its age, size or type.~~
- ~~—(n) "Hazardous Tree" means a tree or tree parts with a high probability of falling or causing injury or property loss to persons or property on public space in the vicinity of the tree, or a tree harboring insects or disease that has been determined to be a threat to the surrounding environment.~~
- ~~—(o) "Person" means any person, firm, partnership, association, corporation, company, or organization of any kind—~~
- ~~—(p) "Private Land" means land not owned by the City or other governmental entity.~~
- ~~—(q) "Public Place" means any municipal public street, municipal public highway, municipal public park, or any realty owned or held by the City within the boundaries of the City.~~
- ~~—(r) "Shall" is always mandatory and not merely discretionary.~~
- ~~—(s) "Specifications for Street Tree Planting" means a document maintained on species suitability, spacing and standard planting protocols.~~
- ~~—(t) "Street Trees" means trees located and spaced along municipal streets which have been~~

~~adopted by and are being maintained by the City.~~

- ~~—(u) "Topping" means the severe removal of a tree canopy back to large stubs.~~
- ~~—(v) "Tree" means any tree in a public place or on private property as indicated by the provisions of this Article.~~
- ~~—(w) "Tree Registry" means a list of exceptional trees registered within the City.~~

"Adopted tree care standards" means those standards of tree maintenance, pruning clearances, and methods of protection during construction, as established in the American National Standards Institute (ANSI) Standard A300, National Standard for Tree Care Operations - Tree, Shrub and Other Woody Plant Maintenance, as may be amended. The City Manager is authorized to issue waivers from the above A300 requirements upon application. Any application shall be made in writing, identify the applicant and applicant's contact information, and state the reason justifying waiver and the manner in which waiver promotes the purposes of ANSI Standard A300. The City Manager will issue a decision in writing on each application, and it shall state the basis for the determination. Any waiver granted shall indicate the reason for waiver, including a statement identifying how the waiver promotes the purpose of ANSI Standard A300.

"ANSI A300" means American National Standards Institute standard of tree care in the USA.

"City" means City of Morgantown, West Virginia.

"City Arborist" means the person responsible for the implementation and enforcement of all requirements contained within this Article. The City Arborist shall be the person holding such position established in the City pay plan, or if such position is vacant, the City Manager.

"Commercial Tree Pruner" means a person or business that performs work on trees for profit.

"Commercial Tree Service" means a business that has a Tree Expert on staff/site to oversee all work.

"Community Forest" means trees and vegetation located within an urban area. Community forestry is the management of these urban resources for the improvement of the economic, environmental, and social well-being of the community.

"Critical Root Zone" means an area that is up to one foot outside of the drip line of the tree.

"Crown Reduction" means pruning to reduce height or size of a tree by cutting limbs back to a point of origin or back to laterals capable of sustaining the remaining limb. "Topping" is not a proper technique to reduce a crown.

"Diameter Breast Height (DBH)" means the diameter of a tree at a point four and one-half feet above the ground. DBH shall be measured from the uphill side of a tree.

"Dripline" means an imaginary vertical line that extends downward from the outermost tips of the tree branches to the ground.

"Environmentally Sensitive Areas" means wetlands, riparian corridors, landslide prone areas, steep slopes, and fish and wildlife areas that have been so designated by the controlling governmental department or agency.

"Exceptional Tree" means a tree located on public or private land designated as exceptional due to historic association, rare tree species or extraordinary value because of its age, size or type.

"Greenspace Agreement" Document to encourage the planting of desirable trees to benefit all citizens of the City of Morgantown.

"Hazardous Tree" a tree identified by the City Arborist or an ISA-certified arborist retained by the City as a likely source of harm, in which the tree or tree parts have a high likelihood of failure"

"Person" means any person, firm, partnership, association, corporation, company, or organization of any kind

"Private Land" means land not owned by the City or other governmental entity.

"Public Place" means any municipal public street, municipal public highway, municipal public park, or any realty owned or held by the City within the boundaries of the City.

"Specifications for Street Tree Planting" means a document adopted by the Tree Board and covering species suitability, spacing and standard planting protocols.

"Street Trees" means trees located and spaced along municipal streets which have been adopted by and are being maintained by the City.

"Topping" means the severe removal of a tree canopy back to large stubs. This is an unacceptable pruning technique.

"Tree" means any tree in a public place or on private property as indicated by the provisions of this Article.

"Tree Registry" means a list of historical or special trees maintained by the Tree Board, which may include adoption by reference of state or national registries.

### **917.03 MUNICIPAL TREE BOARD. THE CITY TREE BOARD**

A ~~Municipal Tree Board~~ The membership of the City Tree Board is continued until the expiration of the members' current terms on November 14, 2020, and the members shall continue in office until another member is appointed for the membership position. Thereafter, the City Tree Board shall consist of seven members appointed ~~be~~ appointed by City Council ~~and shall consist of at least seven, but no more than ten members.~~ Two members shall be appointed for an initial term of one year beginning November 15, 2020; two members shall be appointed

for an initial term of two years, beginning November 15, 2020; and three members shall be appointed for an initial term of three years, beginning November 15, 2020. Thereafter, each appointment shall be for a three-year term; provided, that when a position becomes vacant, a member shall be appointed only to fill the remainder of the term. All members shall continue to serve until a replacement is appointed, unless the member is removed or resigns in writing, in which case the member shall no longer be in office as of the effective date of such removal or resignation. Of the members, at least one shall have specialized knowledge and expertise regarding tree management and care. Tree Board members shall serve three-year terms without compensation. ~~Ex officio should include representative of (c) below.~~

The duties of the ~~Municipal Tree Board~~ City Tree Board shall be as follows:

- (a) Advise and consult with the City Manager, or other staff designated by the City Manager, on any matter pertaining to this Article;
- (b) Study the problems and determine the needs of the City in connection with its management of trees and shrubs and make specific recommendations to the City Manager;
- (c) Work in collaboration with the City Urban Landscape Commission, the Board of Parks and Recreation Commissioners, the Public Works Department, the Parking Authority, the Planning Commission, and other agencies and departments as needed;
- (d) Review City plans and policies, when requested to do so by the City Manager, that contain matters relating to urban forestry, community values, and arboriculture;
- (e) Recommend legislation regarding the community forest;
- (f) Provide for the City Manager reports as requested and an analysis of annual budgets pertaining to the community forest;
- (g) Develop a program for identifying and maintaining exceptional trees in the City and make recommendations to the City Manager and City Council for adopting such a program;
- (h) Provide information regarding the selection, planting and maintenance of trees on public property;
- (i) Facilitate the planning and implementation of public education addressing proper tree care and community forestry;
- (j) Coordinate the City Arbor Day programs, grants, and other similar programs.

#### **917.04 ARTICLE ADMINISTRATION.**

The City Manager, or his/her designee, shall be responsible for the implementation and enforcement of all requirements of this article, and ~~shall be~~ may act as the City ~~Forester~~ Arborist for purposes of this article. The City Manager, or his/her designee, shall have control and supervision of all trees which now or which may hereafter exist upon any public place in this City when such trees are in such condition as to affect the public health, safety and welfare. The City Manager, or his/her designee, is authorized to consult with the ~~Municipal Tree Board~~ City Tree Board for advice and assistance on matters pertaining to this article.

#### **917.05 LIABILITY AND INDEMNIFICATION.**

Nothing within this article is to be interpreted to read that the City or any of its officers, agents or employees has accepted responsibility for assuring that the public will be safe from injury

from any tree within the City. The City recognizes that acts of God may intervene and that it is the ultimate responsibility of the individual property owner to assure that trees on his or her realty are maintained in a safe manner that does not endanger a neighbor or the general public. The City may be responsible for the condition of trees on its publicly owned realty; however, it does not accept responsibility or liability for damage caused by any tree located on private property, state roads, or state rights of way.

#### **917.06 JURISDICTION.**

The City Manager, or his/her designee, shall have the right and duty to prune, preserve or remove any tree or other plant existing upon any public place when such tree, or part thereof, is so infected with any injury, fungus, insect or other plant pathogens or when such tree, or part thereof, constitutes an interference with travel. The City Manager, or his/her designee, shall be authorized to take such measures with regard to such trees or plants as he or she deems necessary to preserve the function and preserve or enhance the beauty of such public place.

The City Manager, or his/her designee, shall have the authority and it shall be his/her duty to order the pruning, preservation or removal of trees upon private property when such trees meet the definition of a "Hazardous Tree" as defined within this article, are an obstruction as set forth in Section 917.18 , or have a root system that is damaging infrastructure, such as sidewalks or streets within a public place.

#### **917.07 APPEALS.**

Any action of the City staff pertaining to the directives of this article may be appealed to the City Manager, or, if the appeal involves action by the City Manager, to the Tree Board. The appeal shall clearly specify the reasons for which a hearing is being requested be filed in writing with the City Manager, by mail or personal delivery, and will not be considered unless presented within 30 days of the action subject of the appeal. The appeal shall state the applicant's interest in the property and the appeal, and it shall state all reasons supporting relief. The City Manager, or Board, will issue a determination on the appeal in writing and have it delivered to the applicant. Upon request of the applicant stated in the appeal, the City Manager, or Board, will allow the applicant the opportunity to appear and present information in support of the appeal. The City Manager and the Board may prescribe rules governing the determination of appeals. The City Manager's, or Board's, action shall be final unless appealed to the City Council. To be effective, an appeal to the City Council must be in writing, state reasons for the appeal, and must be filed with the City Clerk within 10 days after notice of the decision by the City Manager is mailed delivered to the applicant. The decision of the City Council shall be final; provided that the applicant may seek any relief therefrom as may otherwise be available in the courts of this state.

#### **917.08 COMMON MORGANTOWN TREES; SPECIES AND VARIETIES.**

The City ~~Arborist Manager~~, or his/her designee, in consultation with the ~~Municipal Tree Board~~ City Tree Board shall develop and maintain a list of undesirable trees. This list shall provide guidance for planting within municipal public property and rights of way. All trees planted within public rights of way must be a species that will not adversely affect the surrounding infrastructure such as sidewalks, curbs, street or underground utilities, including but not limited to heaving of the infrastructure by the root system.

**917.09 PLANTING OF TREES ON PUBLIC PLACE OR PUBLIC RIGHT-OF-WAY.**

Planting and maintenance of trees on a public place or within municipal public rights of way shall be performed under the supervision of the City ~~Arborist Manager~~, or his/her designee, who shall be in consultation with the City department having jurisdiction over the property in question and should follow the appropriate ANSI A300 standards. Any tree hereafter planted on, or in a location that, as it matures will affect the safe use of such land, shall be selected, sited, planted, and maintained in accordance with the tree care specifications established by this article.

**917.10 TREE REMOVAL ON PUBLIC PLACE LAND OR PUBLIC RIGHT OF WAY.**

(a) Any person removing a tree from a public place or municipal public right of way shall do so in accordance with the standards adopted in this Article. Any person or agency private or public, ~~needing to remove a tree six inches or more in~~ seeking to remove trees greater than 3” DBH from such land shall first be required to obtain written permission from the City Manager or his/her designee.

(b) Permits for removal of trees of any size located in environmentally sensitive areas must be issued in writing by the City Manager, or his/her designee, after consultation with with the full knowledge of the ~~Municipal Tree Board~~ City Tree Board. Such permits may be granted for one tree or for groups of trees, and shall be issued pursuant to guidelines established by the City Manager in consultation with the ~~Municipal~~ Tree Board. An exception to the foregoing requirement of obtaining permission shall be those instances in which City Administration A permit shall not be required when the City Manager has determined that the City needs to remove a hazardous tree from a public place. has identified and needs to remove a hazardous tree from a public place.

(c) Any person or agency removing trees which are neither hazardous trees nor trees creating a hazardous condition, by permit, which are ~~six~~ three inches or more in DBH, shall provide for the planting of new trees in approximately equal numbers of appropriate species in appropriate locations approved by mutually agreed upon by the City Manager, or his/her designee, and identified in the permit. ~~and the person obtaining the permit.~~ Failure to obtain a permit when one would be required for removal of trees shall not relieve responsibility for the planting of replacement trees.

(d) For any tree that is deemed to be a hazardous tree that is located on realty other than a public place or municipal public right of way, the City ~~Arborist Manager~~, or his/her designee, shall give notice to the property owner and follow procedures stated in Section 917.06 and 917.07 .

**917.11 TREES NOT ON A PUBLIC PLACE PROPERTY.**

Trees located on land other than a public place or municipal public right of way are the property and responsibility of the owner of such land. Yet such trees have public usefulness, and value in energy conservation; in moderating extremes in temperature and humidity; in moderating storm water runoff; in reducing noise, glare and air pollution; in reducing soil erosion; in traffic calming; and in improving the City's aesthetic character. To encourage the

conservation of this resource, the City Manager with the assistance of the ~~Municipal Tree Board~~ City Tree Board, is empowered to take the following measures:

- (a) Provide information and technical referral service to landowners, developers, builders, and other interested parties, including persons and private and public agencies, in protecting trees during planting and construction;
- (b) Provide leadership for Arbor Day observances and other public education efforts as stated in Section 917.03 .

The City wishes to encourage and promote the planting of street trees to provide shade within the City; however public right of way space is limited and not always adequate for growing shade trees. Space on private land adjoining the right of way is often adequate for such planting of shade trees by the City, and the use of such space would ensure that many streets and neighborhoods that would otherwise be excluded from a municipal tree planting program would be included. The planting of shade trees by the City on private property adjoining the right-of-way would produce significant public benefits by providing a healthy and attractive tree canopy along City Streets, and also serve to encourage property owners to plant suitable shade trees in a similar manner on their property.

For these reasons the City Manager, or his/her designee, is hereby authorized to contract with such property owners utilizing a "Greenspace Planting Agreement" to encourage the planting of desirable tree types in locations that will benefit all citizens of the City. This Agreement shall delineate the conditions to which both the City and the property owner agree, the continuing authority of this Article, the responsibility of the property owner for the trees except as modified by the Agreement, the duration of the Agreement, a sketch of the planting site, showing all existing utilities (both above and below ground) and the statement of full authority on the part of the property owner with respect to the above planting location.

#### **917.12 EXCEPTIONAL TREES AND THE CITY TREE REGISTER.**

(a) ~~The Tree Board City Manager, or his/her designee,~~ shall maintain a Tree Registry ~~City Tree Register~~ of exceptional trees located on public and private property. Recognition of exceptional trees ~~shall may~~ be given by certificate awarded to the property owner and by listing the tree on the municipal website. A private property owner ~~must may~~ request in writing that his/her tree be listed on the ~~City Tree Register~~ Tree Registry as an exceptional tree and must agree in writing, prior to such designation that he/she will have included in his/her deed for the realty a restrictive covenant binding all successor owners of the realty to the requirements of this article as it pertains to the exceptional tree in question.

(b) ~~Exceptional trees~~ Trees listed on the ~~City Tree Register~~ Tree Registry and which are on a public place within a public right of way (street or alley), or on private property may only be removed following notification of the City Manager or his/her designee and the ~~Municipal Tree Board~~ City Tree Board, unless it is deemed by the City Manager to be a hazardous tree or is creating a hazardous condition.

(c) Removal of exceptional trees shall be generally prohibited in environmentally sensitive areas unless the trees are determined by the City Manager or his/her designee to be in an irreversibly hazardous condition. City Council may designate areas of the City containing forests 75 or more years old or areas within the floodplain as established by the Federal

Emergency Management Agency as environmentally sensitive areas. In such designated areas, no tree may be removed unless permitted by the City Manager, or his/her designee, upon a determination that the tree is in an irreversibly hazardous condition.

(d) The City Manager, or his/her designee, in communication with the ~~Tree Board~~ City Tree Board shall maintain Specifications for Street Tree Planting.

### **917.13 TREE PROTECTION AND MITIGATION.**

Injury to trees is prohibited in that no person shall, without the consent of the owner in the case of a tree, or without a written permit from the City Manager or his/her designee, in the case of a public tree, do, or cause to be done by others, any of the following acts:

- (a) Secure, fasten or run any rope, wire, sign or other device or material to, around or through a tree;
- (b) Break, injure, mutilate, deface, kill or destroy or permit any fire to burn where it will injure any tree;
- (c) Permit any toxic chemical, gas, smoke, brine, oil or other injurious substance to seep, drain or be emptied upon or about any tree or shrub;
- (d) Set fire or permit fire to burn when such fire or the heat of such will injure any portion of any tree;
- (e) Excavate any ditch, tunnel or trench, or lay any drive within a distance ratio of one foot per inch of girth at DBH, to the extent practical, from the center of any tree.
- (f) Erect, alter, repair or raze any building or structure without placing suitable guards around all nearby trees as recommended in the appropriate ANSI A300 Tree Protection During Construction Standards;
- (g) Remove any guard, stake or other device or material intended for the protection of any public tree or any object that may close or obstruct any movement of pedestrians/traffic through public space. ~~open space~~  
~~—about the base of a public tree or shrub designed to permit access to air,~~  
~~—or water or fertilizer.~~

In order to maintain the overall community forest, reasonable efforts shall be made to replace trees that are removed and to protect desirable trees that are endangered.

A tree ~~six~~ three inches or more in DBH removed from public places by decision of the City Manager, or his/her designee, the Public Works Department or the Board of Parks and Recreation Commissioners shall be replaced somewhere in the community forest on a one-for-one basis within one year. The plan for location and species of any replacement shall be reviewed by the City Manager, or his/her designee, and the City Tree Board.

Trees of desirable species and good health shall be protected as much as possible from damage during construction, sidewalk repair, utilities work above and below ground, and other similar activities near the base of the public tree or shrub.

Training may be offered to City departments to assist City personnel in utilizing protective arboricultural techniques.

### **917.14 PRUNING STANDARDS.**

All tree pruning on public property shall conform to the appropriate ANSI A300 standards ~~for tree care operations~~. The City Manager, or his/her designee, on a case-by-case basis, is authorized to issue waivers to specific requirements within ANSI A300, should a request for

such waiver be made and the City Manager, or his/her designee, deems such waiver justified.

#### **917.15 UTILITY CLEARANCE.**

Tree limbs that grow within public rights of way, in which trees are routinely pruned or otherwise cut during utility maintenance operations by utility companies or companies paid by utility companies to do such work, shall be maintained by the utility company in compliance with applicable franchise agreements approved by the City. Should a franchise agreement expire, the regulations of this article shall apply to any such utility, the same as if the work were being performed by a City department. The same shall apply to all public utilities doing work within a public right of way. Each tree trimming policy of a utility company must be reviewed by the City Manager, or his/her designee, prior to any trimming by the utility company. Utility tree trimming shall follow the appropriate ANSI A300 standards.

- (a) The tree trimming policy mentioned above shall include a plan for providing the City or other landowner, tenants of abutting realty whose trees will be cut or trimmed by order of the utility, with reasonable notice which shall include:
  - (1) A description of the area(s) in which the right of way clearing or maintenance is performed;
  - (2) An approximate schedule of work; provided 10 working days in advance to the City Manager of his/her designee;
  - (3) A description of the type(s) of work to be performed, including, but not limited to tree trimming, tree removal, brush cutting, herbicide application, growth regulation, slash disposition.
  - (4) A general description of clearances required or rights of way widths to be maintained; and
  - (5) The name and telephone number of a contact person at the utility.
- (b) In the case of right of way clearing or maintenance planned or scheduled in the normal course of operation, the utility company shall make personal contact with the City or other landowner, and owners or tenants of abutting realty ~~whose trees will be cut or trimmed by order of the utility.~~ ~~In the case of abutting realty~~ which lacks a habitable structure or contains a vacant structure, personal contact shall be replaced by a Class I ~~legal advertisement~~ Legal Advertisement in a newspaper of general circulation in the City of Morgantown.
- (c) In the case of right of way clearing or maintenance resulting from a sudden emergency, the utility shall issue a news release to the Morgantown media. After the sudden emergency is over and the necessary clearing is complete, the utility shall publish a notice regarding the affected properties in a Class I ~~legal advertisement~~ Legal Advertisement in a newspaper of general circulation in the City of Morgantown.
- (d) For purposes of this section, "personal contact" means, that at least seven (7) business days prior to the scheduled clearing or maintenance, an attempt will be made by the utility to contact the persons by telephone or in person. Should the attempt be unsuccessful, a door hanger or similar type of written notice will be left at the residence which contains the information required by this section. A second personal contact attempt will be made prior to the start of work. Should contact be made with a tenant, the utility shall either actually contact the owner before beginning work or publish a legal advertisement as set forth in subsections (b) and (c) ~~hereof~~ above.

- (e) Upon receiving notice of such work to be performed by the utility, the City of Morgantown will notify existing neighborhood associations within the affected area, of the same.
- (f) All tree removal on public land or within public rights of way shall follow City ~~tree removal standards~~ Tree Removal Standards set forth in Section 917.10 of this article. .
- (g) All tree pruning and maintenance shall be subject to the requirements set forth in Sections 917.14 of this article.
- (h) Utility maintenance that requires digging or trenching near trees shall provide protection of the Critical Root Zone as detailed in the appropriate ANSI A300 standard. Open trenching in the root zone of a tree is to be avoided when practical except when the trenching falls outside the Critical Root Zone.
- (i) All trees located where there is insufficient space to bypass the Critical Root Zone must be augured if practical. Auguring activity shall not occur on more than one side of the tree and shall follow distance and depth requirements outlined in the appropriate ANSI A300 standards. ~~tree care specifications manual.~~
- (j) If auguring is not practical or the Critical Root Zone is damaged, the Utility shall remove the existing tree and replace the tree, the location and type of tree are to be determined by the City Manager, or his/her designated representative.

#### **917.16 TOPPING.**

No person, commercial firm or City department shall, as a normal practice, top any street tree, park tree, or other tree located on public property. Crown reduction ~~by~~ under the supervision of a ~~qualified arborist~~ Certified Arborist may be substituted where appropriate. Trees severely damaged by storms or other causes, or certain trees under utility wires or other obstructions where other pruning practices are impractical may be exempted from this article at the determination of the City Manager.

#### **917.17 HAZARDOUS TREES.**

Any hazardous tree, as defined by this article, ~~insofar as it~~ affects the public health, comfort, safety and welfare is hereby declared a public nuisance dangerous to the community life and limb. ~~Any such nuisance may be summarily abated upon order of the City Manager, which may authorize all appropriate action including removal or pruning to reduce or remove the threat to life or property per the ANSI 300 Standards. The order shall be delivered to the property owner as soon as reasonably possible, and where possible without increasing the danger to the public, will be delivered to the property owner prior to the abatement of the nuisance and grant a safe period of time during which the property owner may abate the nuisance.~~

#### **917.18 OBSTRUCTION.**

It shall be the duty of any person or persons owning or occupying real property bordering on any public street upon which there may be trees to prune trees on the person's property in a manner that they will not obstruct or shade street lights, obstruct the passage of pedestrians on sidewalks, obstruct vision of street signs, or obstruct view of a street or alley intersection or obstruct the view of the operator of any motor vehicle with regard to other vehicles, traffic sign or signals, or pedestrians along the street. The minimum clearance for any overhanging portion thereof shall be 8 feet over sidewalks and ~~43~~ 15 feet over all streets or another height determined

in the discretion of the City Arborist.

Any hedge, tree shrub, other growth, situated at the intersection of two or more streets, alleys, or driveways in the City is hereby declared to be a public nuisance to the extent that such hedge, tree, shrub, other growth or fencing obstructs the view of the operator of any motor vehicle with regard to other vehicles, traffic signs or signals, or pedestrians approaching or crossing such intersection, and such public nuisance may be summarily abated in accordance with the provisions of Section 917.17 of this Code.

No hedge, tree, shrub, other growth, located adjacent to a road surface shall obstruct the clear and complete vision of the operator of any motor vehicle in regard to other vehicles, traffic signs and signals, or pedestrians within the public right of way.

#### **917.19 DISEASED OR INSECT INFECTED TREE.**

In those cases in which a tree is determined to be so severely insect or disease infected that it is a threat to the Community Forest, the City Manager, or his/her designee, shall have the authority to seek judicial relief, if necessary, to eliminate the threat.

#### **917.20 WRITTEN ORDER TO PRUNE, PRESERVE, REMOVE TREE OR WOODY PLANT.**

When the City Manager, or his/her designee, shall find it necessary to order the pruning, preservation or removal of trees or plants upon private property as authorized in Section 917.06 , he/she shall serve a written order to correct the dangerous condition upon the owner, operator, occupant, or other person responsible for its existence. This order shall be served in one of the following ways:

- (a) By making personal delivery;
- (b) Sent by certified or first class mail addressed to the last known address; or
- (c) If the notice is returned showing that the letter was not delivered, a copy thereof shall be posted in a conspicuous place in or about the property to which the notice applies.

The order required herein shall set forth a time limit of no less than 30 days for compliance, dependent upon the hazard and danger created by the violation. In cases of extreme danger to person or public property, the City Manager, or his/her designee, shall have the authority to require compliance immediately upon service of this order.

#### **917.21 ORDER TO CORRECT A HAZARDOUS CONDITION.**

A person to whom an order hereunder is directed shall have the right, within twenty-four hours of service of such order, to appeal to the City Manager, who shall review such order within seven days and file his/her decision thereon. Unless the order is revoked or modified, it shall remain in full force and be obeyed by the person to whom it is directed.

A person to whom such order is directed must comply with such order within 10 days after an appeal shall have been determined. When a person to whom an order is directed fails to comply within the specified time period, the City Manager, or his/her designee, may take such steps as he/she finds necessary to remedy the condition, including judicial relief from the Circuit Court of Monongalia County.

Any person failing to obey an order given by the City Manager, or his/her designee, pursuant to this Article shall be subject to the penalties set forth in Section 917.23 .

### **917.22 TREE CARE OPERATORS.**

All persons, firms, or corporations engaged in commercial tree care operations are required to comply with all applicable federal, state, and City of Morgantown rules and regulations that govern such operations.

### **917.23 PENALTY.**

Any person violating the provisions of this ordinance shall, upon conviction therefor, be subject to the following penalties: who neglects or refuses to comply with, or assists in the violation of, any of the provisions of this article, or order, permit or notice issued pursuant thereto, shall be fined not more than five hundred dollars (\$500.00) for each such violation. Each day any such violation continues shall constitute a separate offense, and in those cases where the violation involves the removal or damage of a tree, each such removal or damaged tree shall also constitute a separate offense.

(a) For willfully injuring or killing a living tree in any public area or within any tree protection zone established by a person authorized under this Article by cutting, debarking, breaking, by the use of herbicides, use of a vehicle, or in any other manner wherein such damage or destruction was intentionally inflicted, a fine of not less than \$100 nor more than \$500. Any fine pursuant to this Section is in addition to any other penalties, fines, or costs assessed pursuant to this Article.

If the person found guilty of violating this section is an abutting property owner, the cost of repair or replacing the damaged tree shall be assessed against the property in accord with this ordinance. If damage is continual, fines can be assessed until the offense is corrected. Additional fines can be issued for fines not paid within 30 days of original fine.

### **917.24 DAMAGE AND COST OF REPLACEMENT.**

Any person who causes a tree to be removed or damaged within a municipal public right of way or upon realty owned by the Municipality or realty owned by a board, commission, or authority of the Municipality, in violation of this article, or any order, permit, or notice issued pursuant thereto, shall repair or replace any such tree at the violator's sole cost and expense, or, at the election of the City Manager, shall pay the reasonable value thereof to the City. The value of the tree or trees removed shall be determined by a certified Arborist or selected by the City of Morgantown using a valuation method approved by the International Society of Arboriculture., or by the following formula:

#### **Definitions**

Condition: rating from 0 (dead) to 100 percent (perfect); expressed as a percentage of 100 (e.g., 100 percent = 1; 60 percent = .6, etc.) If condition cannot be evaluated than assume 75%.

Diameter: trunk diameter at 4 1/2 feet above the ground

Species: all tree species are given a value from 1 to 100, which is expressed as a percentage of 100 (e.g., 40 = 40 percent = .4). This is a value assigned to a species according to a number of factors, including longevity, durability and appropriateness to the growing zone.

## Procedure

Scoring is determined by the multiplication of diameter, species and condition. Shown below are three applications of the formula.

1. A 10-inch American holly is automatically replaced with one tree, according to the above policy.
2. A 40-inch silver maple (species rating of 40), rated at 60 percent condition, is scored as  $40 \times .4 \times .6$  for a total score of 9.6.
3. A 36-inch white oak (species rating of 80), rated at 70 percent condition, is scored as  $36 \times .8 \times .7$  for a total score of 20.16.

## Application to Replacement Policy

Trees are replaced at the following rates, based on the overall scores:

- 1-4.9 = one tree
- 5-9.9 = two trees
- 10-14.9 = three trees
- 15-19.9 = four trees
- 20-24.5 = five trees
- 25+ = six trees

In the examples above, the American holly is replaced with one tree, the silver maple with two trees and the white oak with five trees.

The formula should only be used by qualified individuals, like professional arborists, with the knowledge of tree condition determinations and species factors.

### **917.25 ENFORCEMENT.**

The City Manager or his/her designee is hereby charged with the responsibility for the enforcement of this article and he/she may serve notice to any person in violation thereof or institute legal proceedings as may be required.

### **917.26 SEVERABILITY.**

Should any part or provision of this article be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of the article as a whole or any part thereof other than the part held to be invalid.

This ordinance shall be effective 30 days from adoption.

FIRST READING: \_\_\_\_\_

\_\_\_\_\_  
City Manager

SECOND READING: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

FILED: \_\_\_\_\_

Morgantown Ward and Boundary Commission  
Sarah R. Barnes, Chair  
25 Cox Pl.  
Morgantown, WV 26501  
Ph: 304-554-9075  
Email: sarah@barnesmarra.com

Honorable Mayor and Members of Council,

**Background:**

By vote of SEVEN yeas and ZERO nays, the Morgantown Ward and Boundary Commission is hereby filing its report as required by City Charter 7.05 (c):

*"(c) Report. On or before September 30th of each even-numbered year, the Commission shall file with the City Clerk a report containing a recommended plan and a map for adjustment of ward boundaries, or recommending that no adjustment be made, all in accordance with the specifications set forth in subsection (d)."*

**Recommendation:**

This Commission recommends adjustments as outlined in the accompanying proposed map compiled by City GIS Coordinator, Marvin Davis.

Link to proposed map: <https://arcg.is/O14Hy0>

**Justification:**

Under the direction of the Commission, Mr. Davis was able to input the census and voter data, as required by our establishing code, into GIS mapping software to provide the Commission with multiple map variations. This provided the opportunity and ability for the Commission to quickly see possible map adjustments and discuss issues we needed to consider pertaining to maintaining neighborhoods, boundaries, and how adjusting the boundaries might impact the makeup of the Wards. The Commission feels that this enabled us to efficiently review our respective ward boundaries and determine new boundaries. We appreciate the City's effort to provide us with these tools and the expertise of Mr. Davis for this purpose. Additionally this allowed us to solicit preliminary public feedback that improved our final map.

**Data Received:**

Please refer to the appended report from Marvin Davis detailing the process, data received, and final conclusion.

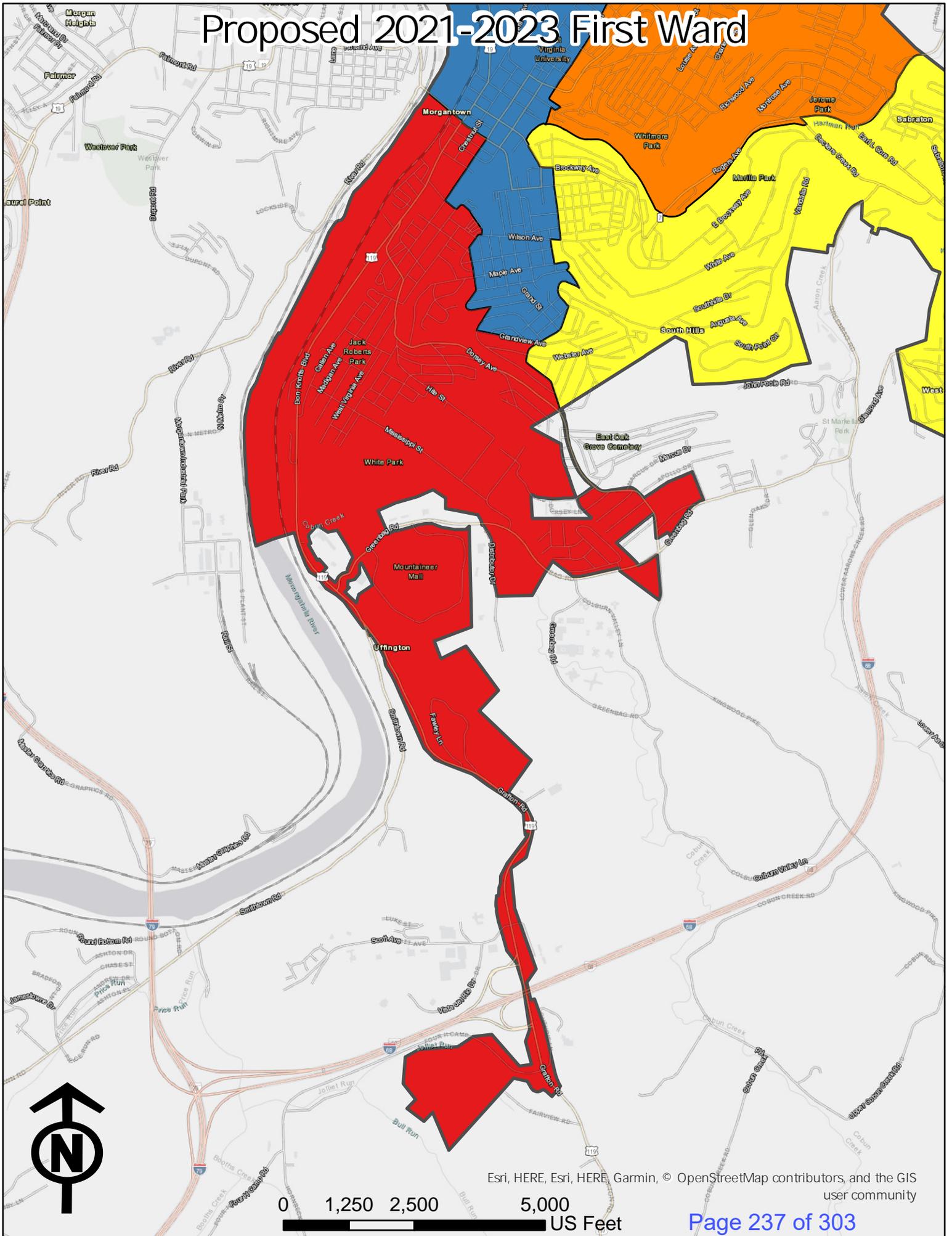
Link to full analysis and report: <https://arcg.is/T1LO1>

Respectfully,



Sarah R. Barnes, Chair  
Morgantown Ward and Boundary Commission

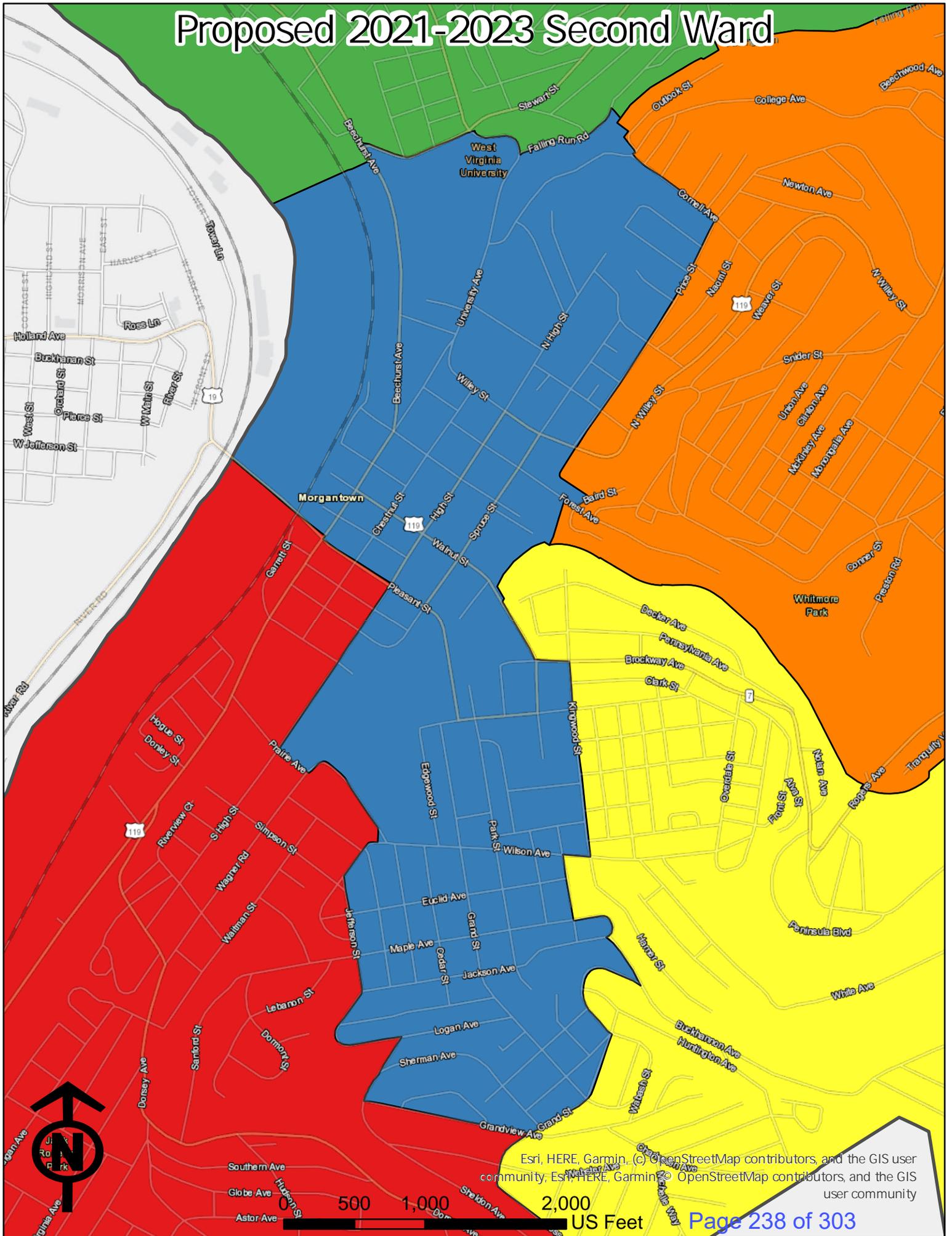
# Proposed 2021-2023 First Ward



Esri, HERE, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

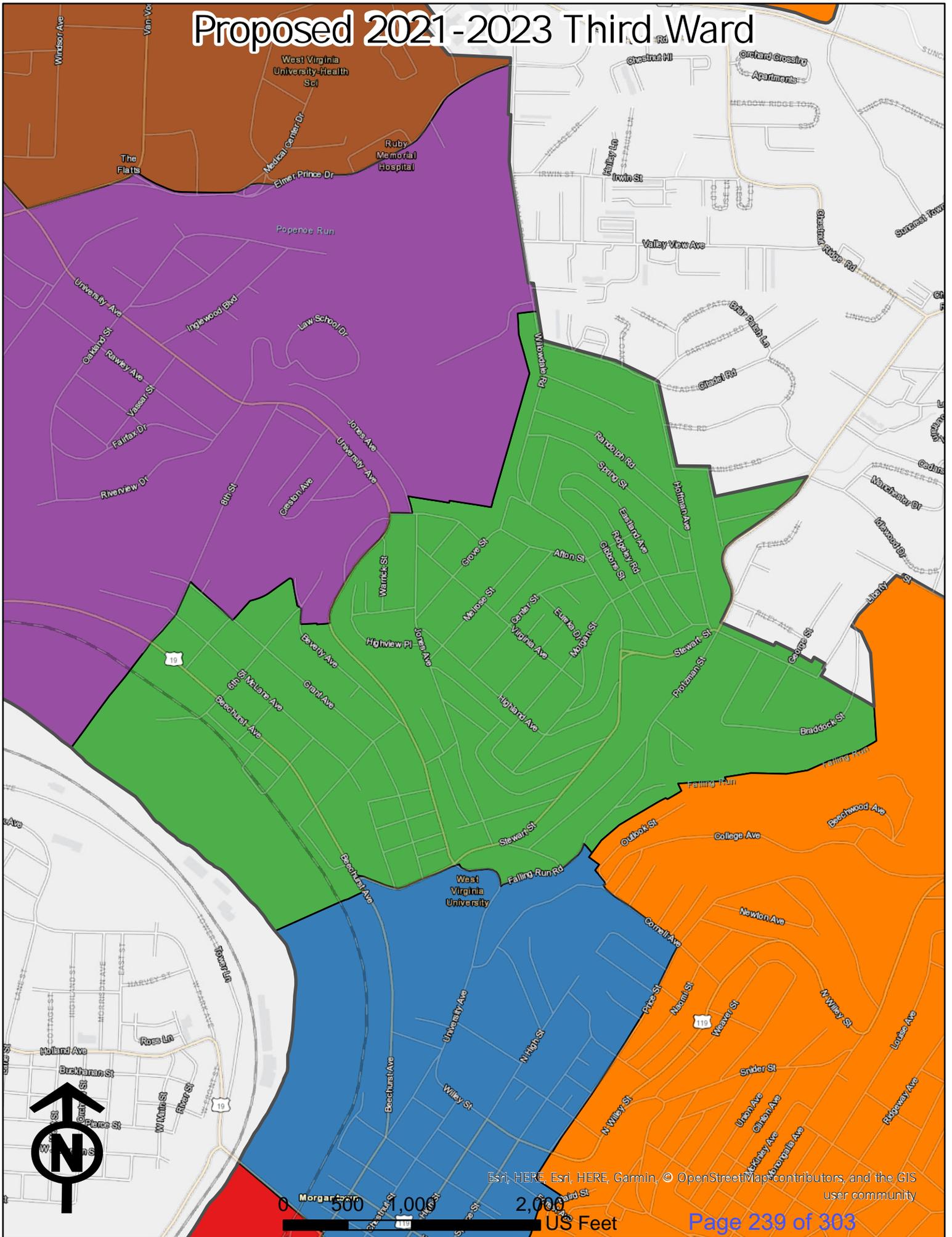
0 1,250 2,500 5,000 US Feet

# Proposed 2021-2023 Second Ward

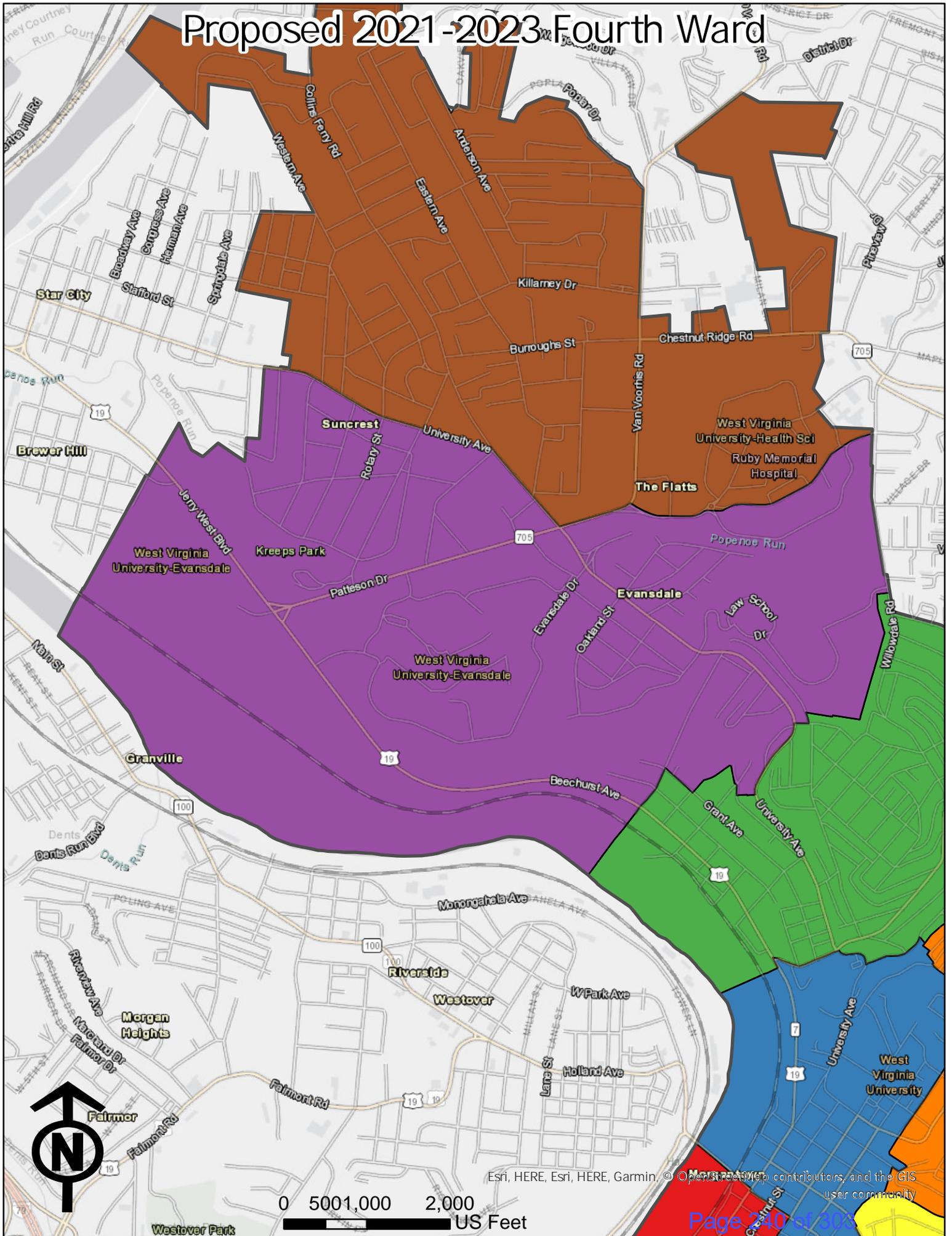


Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

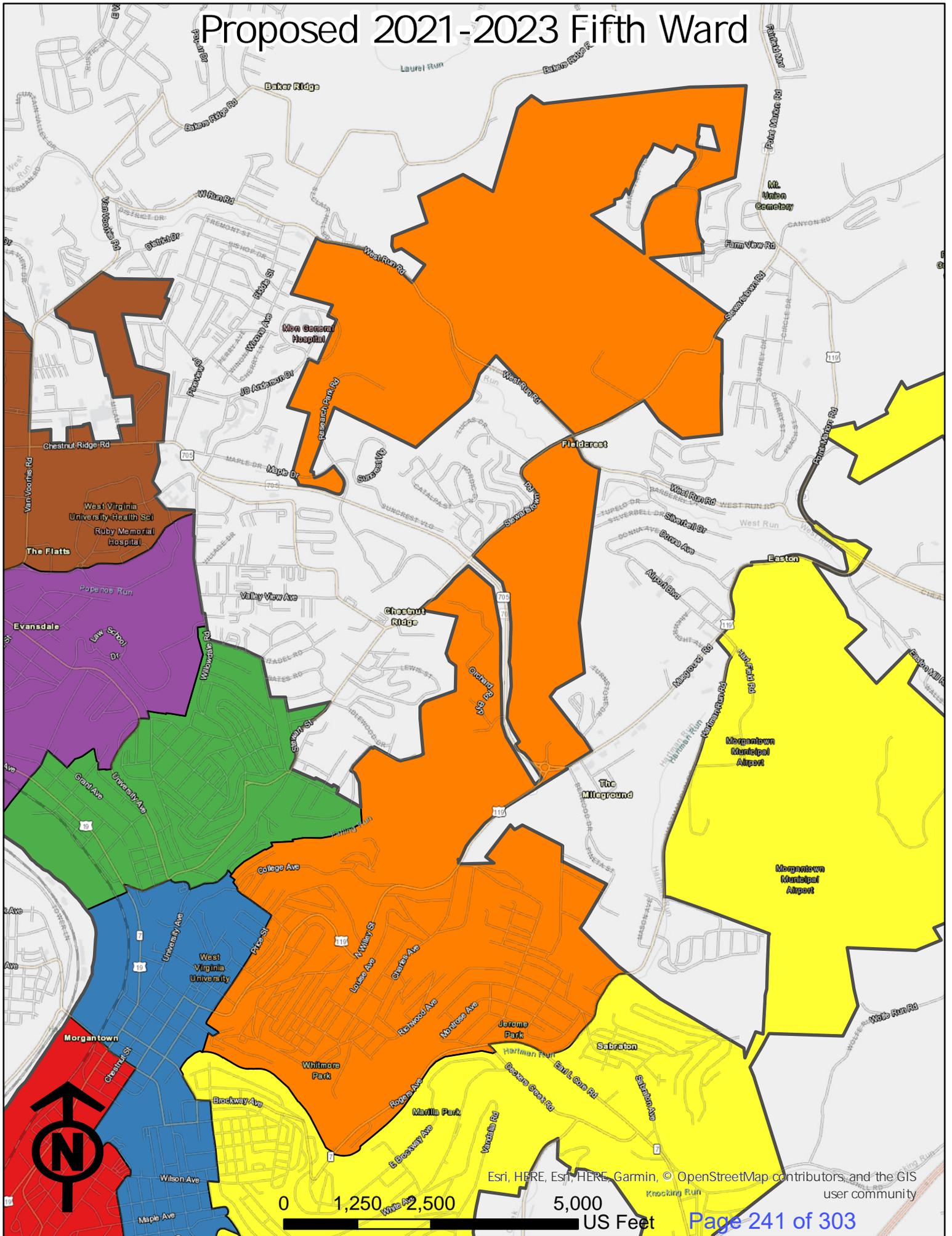
# Proposed 2021-2023 Third Ward



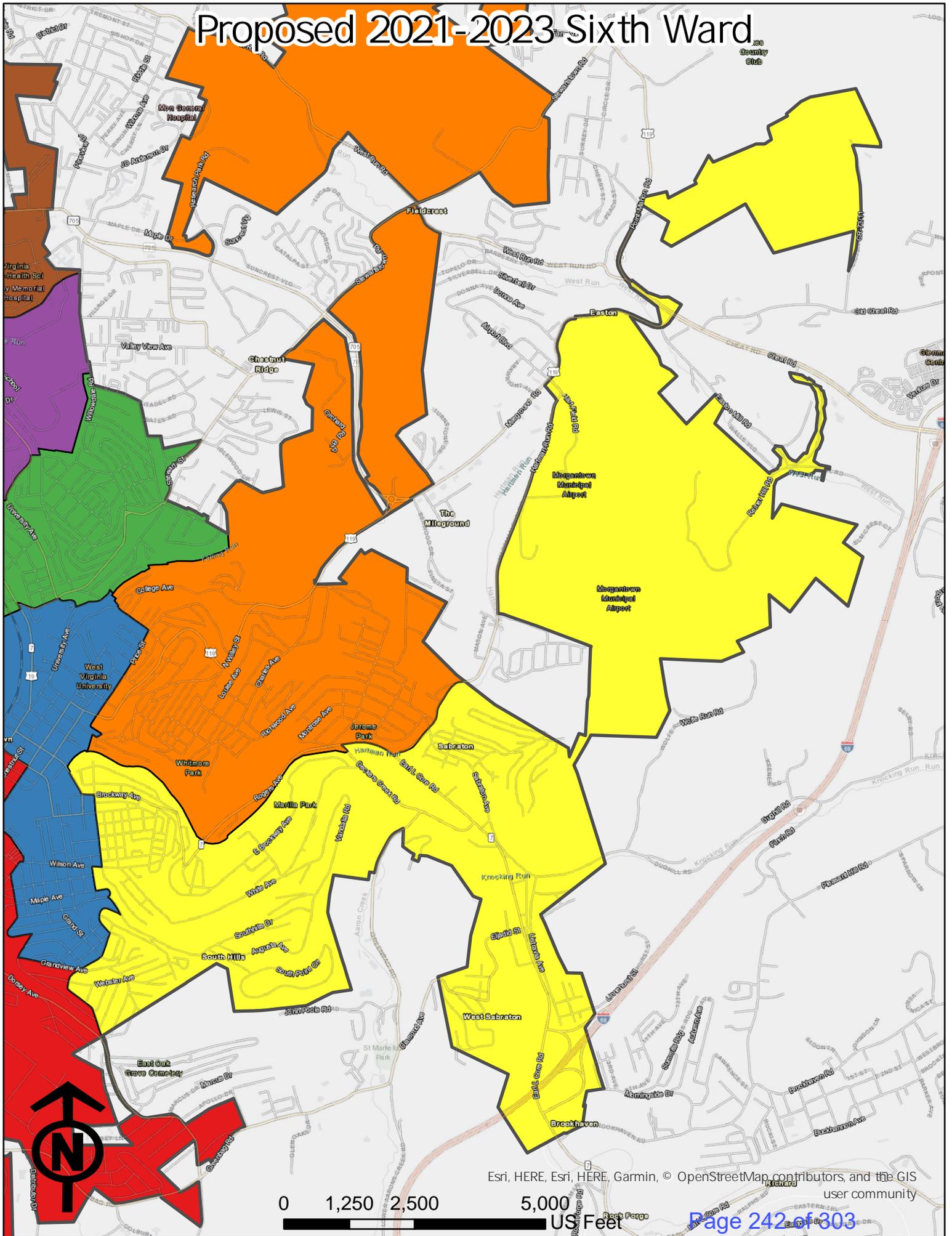
# Proposed 2021-2023 Fourth Ward



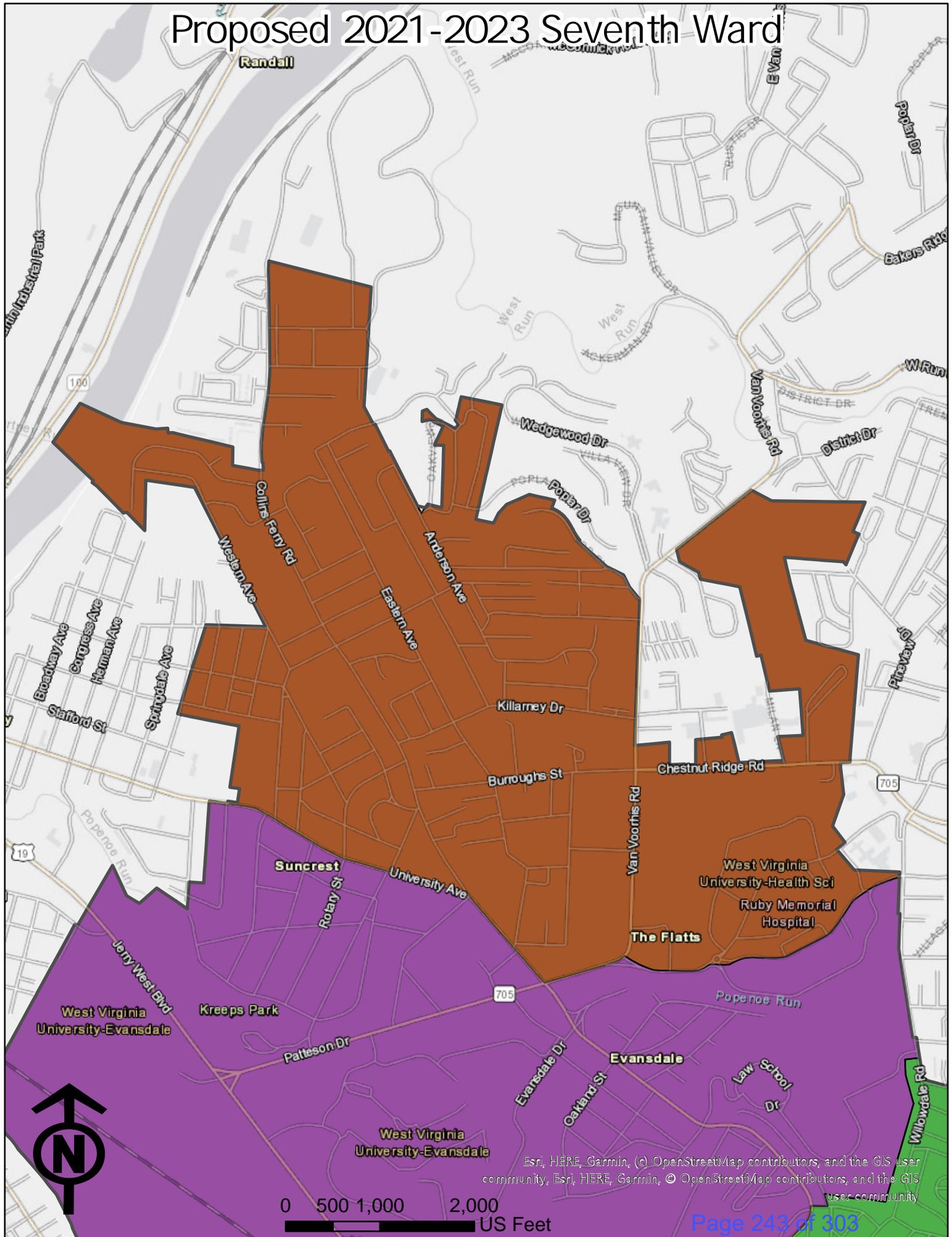
# Proposed 2021-2023 Fifth Ward



# Proposed 2021-2023 Sixth Ward



# Proposed 2021-2023 Seventh Ward



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community



# Morgantown GIS Ward Boundary Analysis Final Report

GIS Analysis Report for the Morgantown Wards and Boundary Commission

Marvin Davis      September 17, 2020

## Introduction

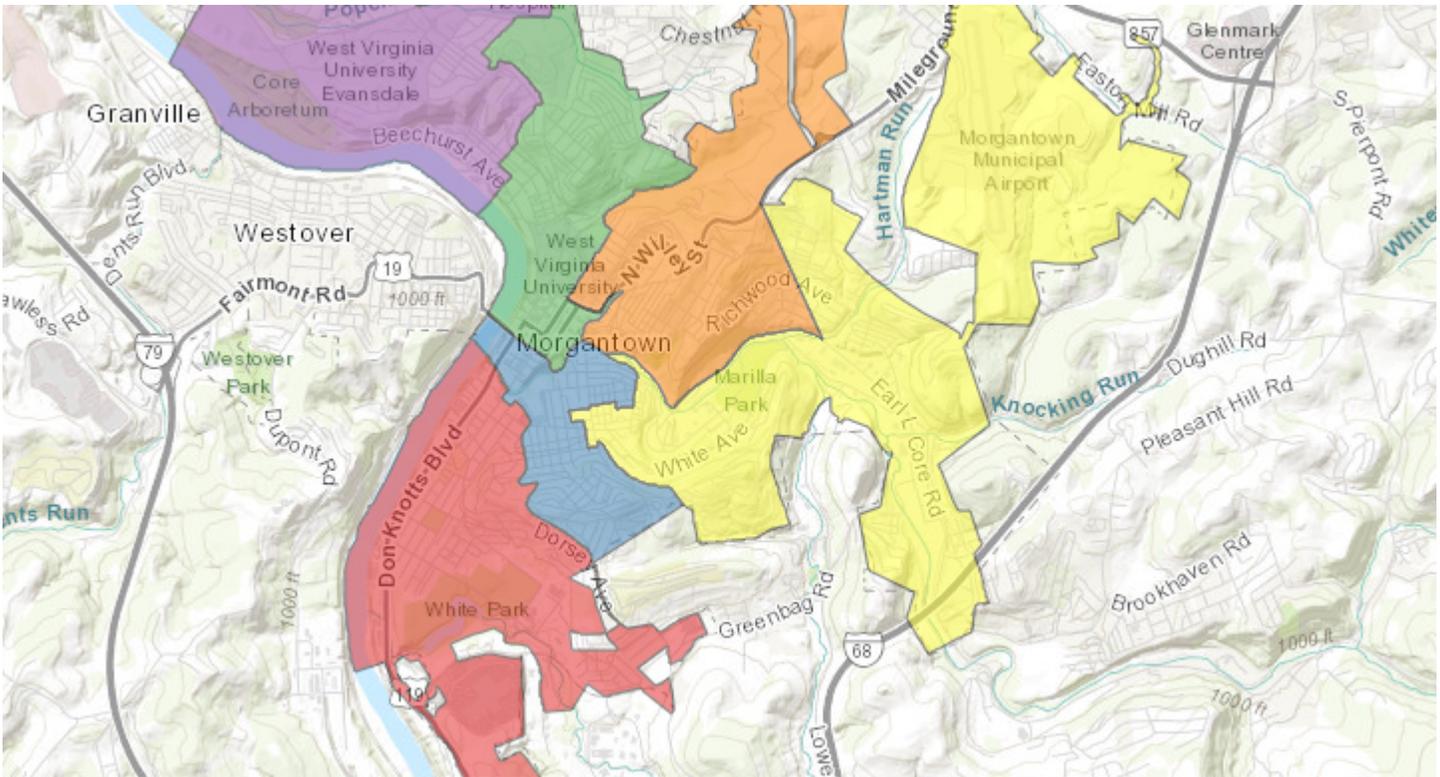
### Problem

The Morgantown Ward and Boundary Commission must, by City Charter, analyze and confirm the boundaries of the City's wards every even-numbered year in preparation for the following municipal election cycle. The Charter states that the wards must be balanced, as much as possible, by counts of registered voters and population based on the most-recent American Community Survey (ACS) or decennial Census. The latest report ([click here](#)) from the Ward and Boundary Commission from 2018 acknowledged numerical imbalance

(see: *Existing Ward Counts* below), but recommended no changes be made to the ward boundaries at that time. The reasons for this recommendation were:

- Late delivery of the needed data prevented proper analysis to be completed in the available time.
- The known imbalance of both registered voters and population across each ward required more time to balance than was available.
- The Commission had a desire to explore GIS analysis tools to aid them in the following cycle.

The following report details the role GIS played in the 2020 review of the ward boundaries and provides the information utilized by the Commission to reach their decisions.



West Virginia GIS, Esri, HERE, Garmin, INCREMENT P, USGS, METI/NASA, NGA, EPA, USDA

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Morgantown City Wards for the 2019-2021 City Council cycle.

### Existing Ward Counts

Ward #: Count (Numerical Deviation from Ideal, % Deviation)

## Population (2020 American Community Survey estimate)

- Ward 1: 2,985 (-1,518, -33.7%)
- Ward 2: 3,027 (-1,476, -32.8%)
- Ward 3: 6,623 (+2,120, +47.1%)
- Ward 4: 6,707 (+2,204, +48.9%)
- Ward 5: 6,696 (+2,193, +48.7%)
- Ward 6: 2,696 (-1,807, -40.1%)
- Ward 7: 2,790 (-1,713, -38.0%)

## Registered Voters

- Ward 1: 2,239 (-272, -10.8%)
- Ward 2: 2,415 (-96, -3.8%)
- Ward 3: 3,012 (+501, +20.0%)
- Ward 4: 2,768 (+257, +10.2%)
- Ward 5: 2,533 (+22, +0.9%)
- Ward 6: 2,156 (-355, -14.1%)
- Ward 7: 2,453 (-58, -2.3%)

## Goals

The Ward and Boundary Commission issued guidance for the analysis in the form of the following goals:

1. Balance population and count of registered voters across all seven wards as evenly as possible. If both criteria cannot be balanced evenly, provide greater weight to balancing the count of registered voters across all seven wards.
2. Preserve existing neighborhoods as much as possible.
3. Utilize physical boundaries and ensure contiguity by preserving street connections across each ward.

This report evaluates the work done against these three goals. The analysis did not consider criteria such as:

1. Preservation of existing ward boundaries.

2. Maintaining separation of members of the current City Council.
3. Future areas considered for annexation.

Secondarily, the City Charter emphasizes that "compactness" shall not be sacrificed for balancing of numbers. Although the term is used in the following section, it is defined in the realm of the tool used, and may not reflect the type of "compactness" mentioned in the Charter. However, the analysis was performed, and results produced, to maintain "compactness," as intended in the Charter, as much as possible.

## **Data and Tools Used**

### **Data**

*Tax Parcel "Blocks"* - Tax parcel polygons combined with 2010 Census block polygons to fill in rights-of-way that are not depicted in the parcels. Data was cleaned up for most block boundaries to be the street centerlines or where natural borders exist. Parcel boundaries were useful in blocks that were oddly-shaped or did not clearly indicate a natural boundary.

*2020 American Community Survey Estimated Population* - A total population of 31,516 was apportioned to the parcel blocks layer using ESRI's Data Enrichment tool in ArcGIS Pro. The data is apportioned from American Community Survey data at the Census Block Group level, which are much larger and are not totally within the City's boundary. The result was checked by running the same tool against a layer of the City's boundary, which generated a result of 31,524. Due to the closeness of the results, the result for the parcel blocks layer was used as-is for the analysis.

*Registered Voter Data (2018)* - Tabular street address data was imported and geocoded through ArcGIS Pro using the West Virginia GIS Technical Center's "WV\_Composite" geocoder,

which placed points for the associated structure and/or side of the street based on the address. A total of 17,576 registered voters were geocoded, then a Spatial Join tool was run to provide a count of voters located within each parcel block to provide a combined layer that had population estimates and registered voters for each parcel block.

*City Council Wards (2019-2021)* - The existing ward boundaries were used as a reference for visual aid and to attempt a manual assignment for one example to balance the wards based on the criteria chosen by the Commission.

## **Tools**

*ESRI Business Analyst (Trial)* - A software package typically intended for business and market analysis, Business Analyst possessed a tool that was proposed to help with balancing wards known as the *Territory Design* toolset. ESRI provided an extended Business Analyst trial as support for this effort and to see if the results showed possible uses for the tool in the local government sector instead of only private industries.

*ESRI Data Enrichment* - A tool used through ArcGIS Pro and ArcGIS Online that adds demographic data to existing GIS layers. This tool assigned 2020 American Community Survey population estimate data to the parcel blocks layer.

*Geocoding (WV\_Composite Locator)* - A workflow within ArcGIS Pro that takes tabular data and maps a location based on locations, such as street addresses. This tool took street address locations of registered voters and assigned their locations based on the West Virginia GIS Technical Center's "WV\_Composite" address locator.

*Spatial Join* - A tool used to combine two different layers in the same spatial area as one another into one common layer. This tool provided the count of geocoded registered voter locations for each parcel block feature.

## Primary Territory Design Variables

- *Balance Weighting* - A value between 1 and 100 so the tool knows which value to balance more than the other when assigning parcel blocks to territories.
- *Constraints* - A minimum, maximum, ideal value, and weighting value for each criteria for the analysis. The registered voter ideal value is 2,511, while the population ideal value is 4,502. Both ideal values represented the mean value for each criteria for seven territories. The other values were adjusted depending on how the tool responded in each run and are explained in each map.
- *Compactness* - A value between 1 and 100 that tells the tool how "rounded" the territory should be, with 100 being "most rounding." This does not necessarily equate to the definition of "compactness" used in political redistricting. Due to the City's unique boundary, the tool had to be run with compactness values of 75 to 100 to maximize adjacent parcel blocks being assigned to similar territories. Lower compactness values resulted in a greater overlap in parcel blocks being assigned to nonadjacent territories, creating a "checkerboard" pattern as seen in the Tool-Only maps below.

## Types of Assignments

- *Tool-Only Assignment* - The raw result of balancing 7 territories, without any manual reassignment after processing. These are helpful in visual and data comparisons.
- *Manual Assignment* - Territories are assigned manually, with reference layers such as existing ward boundaries or known neighborhood boundaries used as guides.
- *Tool-Assisted Manual Assignment* - The raw result of balancing 7 territories is kept as close to the output with random and nonadjacent parcel blocks reassigned to

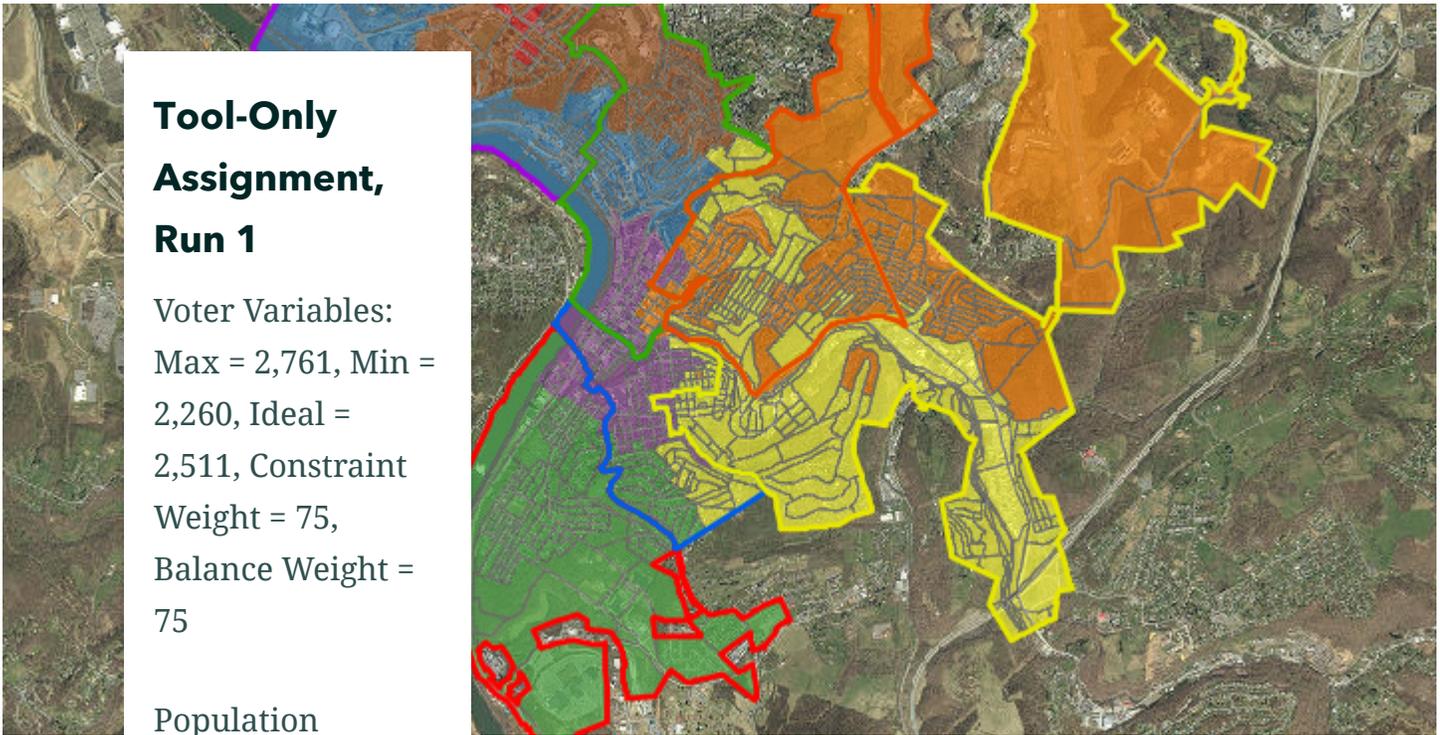
adjacent territories, with consideration of known neighborhood and physical boundaries where possible.

It should be noted that results from this analysis was left with the name of "Territories" instead of "Wards" to prevent confusion, since numbering of the territories was left to the tool itself. To aid in understanding the proceeding maps, the bold outline of the existing ward boundaries are overlaid on the territories to understand each map's distribution in that context.

## **Tool-Only Assignment Maps**

The following maps and data are shown for the purpose of illustrating the Territory Design tool's raw output. These maps were only considered in comparison to the Tool-Assisted maps. Tool parameters are in the blurbs for each slide and stats for each run are below the slideshow.

*Maps shown below have the existing ward boundaries (bold outlines) on top of the analysis layers (filled colors). Legend button is in the bottom left of the maps.*



**Tool-Only  
Assignment,  
Run 1**

Voter Variables:  
Max = 2,761, Min =  
2,260, Ideal =  
2,511, Constraint  
Weight = 75,  
Balance Weight =  
75

Population  
Variables: Max =  
None, Min = None,  
Ideal = 4,502,  
Constraint Weight  
= 25, Balance  
Weight = 25

Compactness = 75

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REMENT P, USGS, METI/NASA, NGA, EPA, USDA

Powered by Esri

## **Tool-Only, Run 2**

Voter Variables:

Max = 2,761, Min =  
2,260, Ideal =  
2,511, Constraint  
Weight = 75,  
Balance Weight =  
75

Population

Variables: Max =  
5,200 Min = 4,000,  
Ideal = 4,502,  
Constraint Weight  
= 25, Balance  
Weight = 25

Compactness = 75

**Tool-Only, Run****3**

Voter Variables:

Max = 2,761 Min =

2,260, Ideal =

2,511, Constraint

Weight = 50,

Balance Weight =

50

Population

Variables: Max =

5,500 Min = 3,500,

Ideal = 4,502,

Constraint Weight

= 50, Balance

Weight = 50

Compactness = 75

## **Tool-Only, Run 4**

Voter Variables:

Max = 2,761 Min =  
2,260, Ideal =  
2,511, Constraint  
Weight = 50,  
Balance Weight =  
75

Population

Variables: Max =  
5,200 Min = 3,500,  
Ideal = 4,502,  
Constraint Weight  
= 50, Balance  
Weight = 25

Compactness =  
100

## **Stats**

Territory #: Count (Numerical Deviation from Ideal, %  
Deviation)

### **Tool-Only Assignment, Run 1**

*Population*

- Territory 1: 4,818 (+316, +7.0%)
- Territory 2: 5,660 (+1,158, +25.7%)
- Territory 3: 3,290 (-1,212, -26.9%)
- Territory 4: 3,532 (-970, -21.6%)
- Territory 5: 5,359 (+857, +19.0%)

- Territory 6: 4,024 (-478, -10.6%)
- Territory 7: 4,833 (+331, +7.3%)

### *Registered Voters*

- Territory 1: 2,647 (+136, 5.4%)
- Territory 2: 2,321 (-190, -7.6%)
- Territory 3: 2,662 (+151, +6.0%)
- Territory 4: 2,604 (+93, +3.7%)
- Territory 5: 2,291 (-220, -8.8%)
- Territory 6: 2,604 (+93, +3.7%)
- Territory 7: 2,447 (-64, -2.5%)

### **Tool-Only Assignment, Run 2**

#### *Population*

- Territory 1: 4,023 (-479, -10.6%)
- Territory 2: 4,435 (-67, -1.5%)
- Territory 3: 4,254 (-248, -5.5%)
- Territory 4: 4,639 (+137, +3.0%)
- Territory 5: 4,355 (-147, -3.3%)
- Territory 6: 5,196 (+694, +15.4%)
- Territory 7: 4,614 (+112, +2.5%)

#### *Registered Voters*

- Territory 1: 2,522 (+11, +0.4%)
- Territory 2: 2,449 (-62, -2.5%)
- Territory 3: 2,983 (+472, +18.8%)
- Territory 4: 2,401 (-110, -4.4%)
- Territory 5: 2,474 (-37, -1.5%)
- Territory 6: 2,329 (-182, -7.2%)
- Territory 7: 2,418 (-93, -3.7%)

### **Tool-Only Assignment, Run 3**

#### *Population*

- Territory 1: 4,856 (+354, +7.9%)
- Territory 2: 4,616 (+114, +2.5%)
- Territory 3: 3,841 (-661, -14.7%)
- Territory 4: 5,117 (+615, +13.7%)
- Territory 5: 3,958 (-544, -12.1%)
- Territory 6: 5,316 (+814, +18.1%)
- Territory 7: 3,812 (-690, -15.3%)

### *Registered Voters*

- Territory 1: 2,501 (-10, -0.4%)
- Territory 2: 2,531 (+20, +0.8%)
- Territory 3: 2,818 (+307, 12.2%)
- Territory 4: 2,349 (-162, -6.4%)
- Territory 5: 2,535 (+24, +1.0%)
- Territory 6: 2,268 (-243, -9.7%)
- Territory 7: 2,574 (+63, +2.5%)

### **Tool-Only Assignment, Run 4**

### *Population*

- Territory 1: 4,461 (-41, -0.9%)
- Territory 2: 3,698 (-804, -17.9%)
- Territory 3: 4,111 (-391, -8.7%)
- Territory 4: 4,995 (+493, +10.9%)
- Territory 5: 3,664 (-838, -18.6%)
- Territory 6: 5,069 (+567, +12.6%)
- Territory 7: 5,518 (+1,016, +22.6%)

### *Registered Voters*

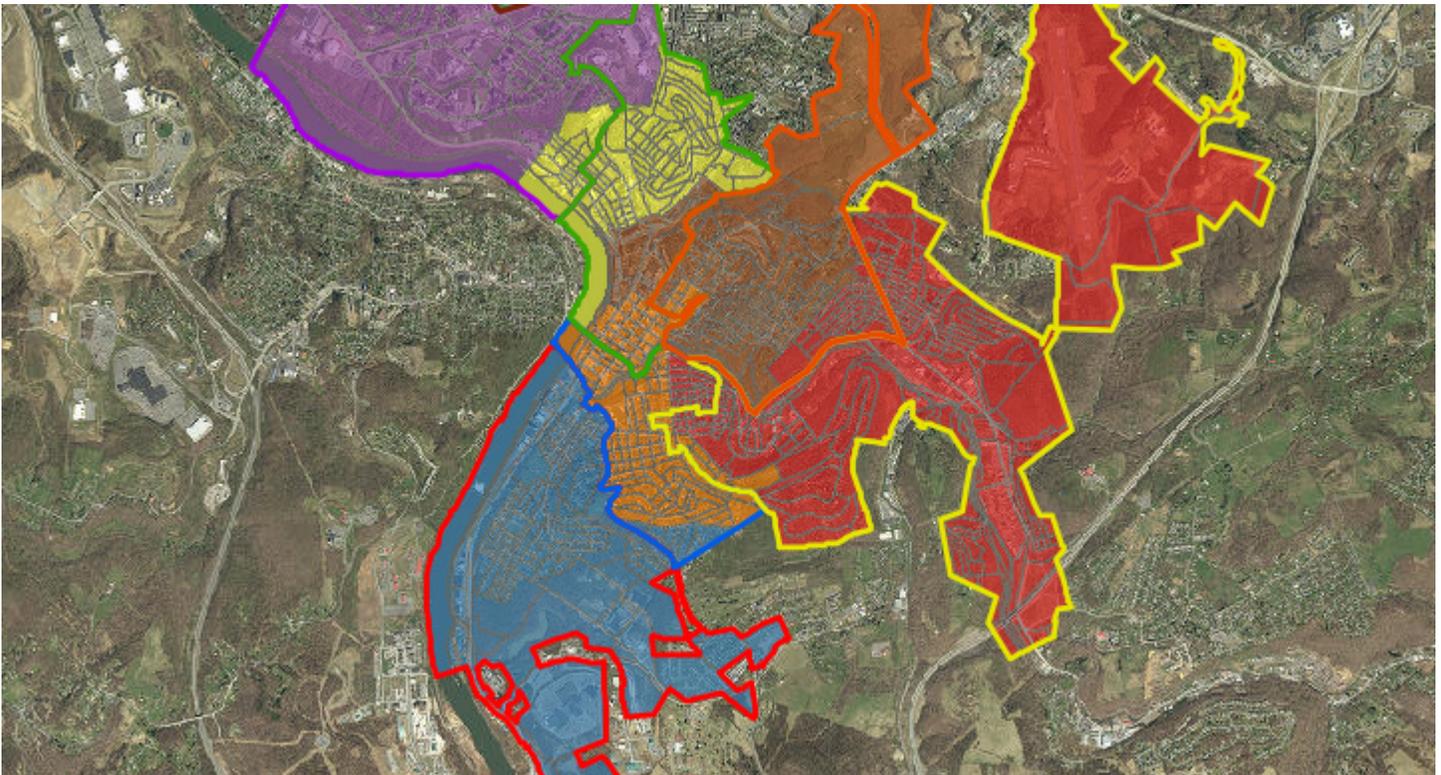
- Territory 1: 2,562 (+51, +2.0%)
- Territory 2: 2,899 (+388, +15.5%)
- Territory 3: 2,547 (+36, +1.4%)
- Territory 4: 2,304 (-207, -8.2%)
- Territory 5: 2,593 (+82, +3.3%)
- Territory 6: 2,300 (-211, -8.4%)

- Territory 7: 2,371 (-140, -5.6%)

## Manual Assignment Map

An attempt was made, using the Territory Design tool, to manually assign the territories using the existing ward and known neighborhood boundaries as much as possible while improving the balance of registered voters and population. This effort served a dual purpose of: 1) testing the workflow of manually assigning parcel blocks to territories toward refining raw outputs and 2) sampling how much of a geographic deviation from the existing ward boundaries balanced both criteria to acceptable levels for the Ward and Boundary Commission.

*The map shown below has the existing ward boundaries (bold outlines) on top of the analysis layer (filled colors).*



West Virginia GIS, Esri, HERE, Garmin, INCREMENT P, USGS, METI/NASA, NGA, EPA, USDA

Powered by Esri

Manual Assignment Map

## Stats

## Territory #: Count (Numerical Deviation from Ideal, % Deviation)

### *Population*

- Territory 1: 3,517 (-985, -21.9%)
- Territory 2: 3,200 (-1,302, -28.9%)
- Territory 3: 2,803 (-1,699, -37.7%)
- Territory 4: 6,175 (+1,673, +37.2%)
- Territory 5: 4,234 (-268, -6.0%)
- Territory 6: 5,652 (+1,150, +25.5%)
- Territory 7: 5,935 (+1,433, +31.8%)

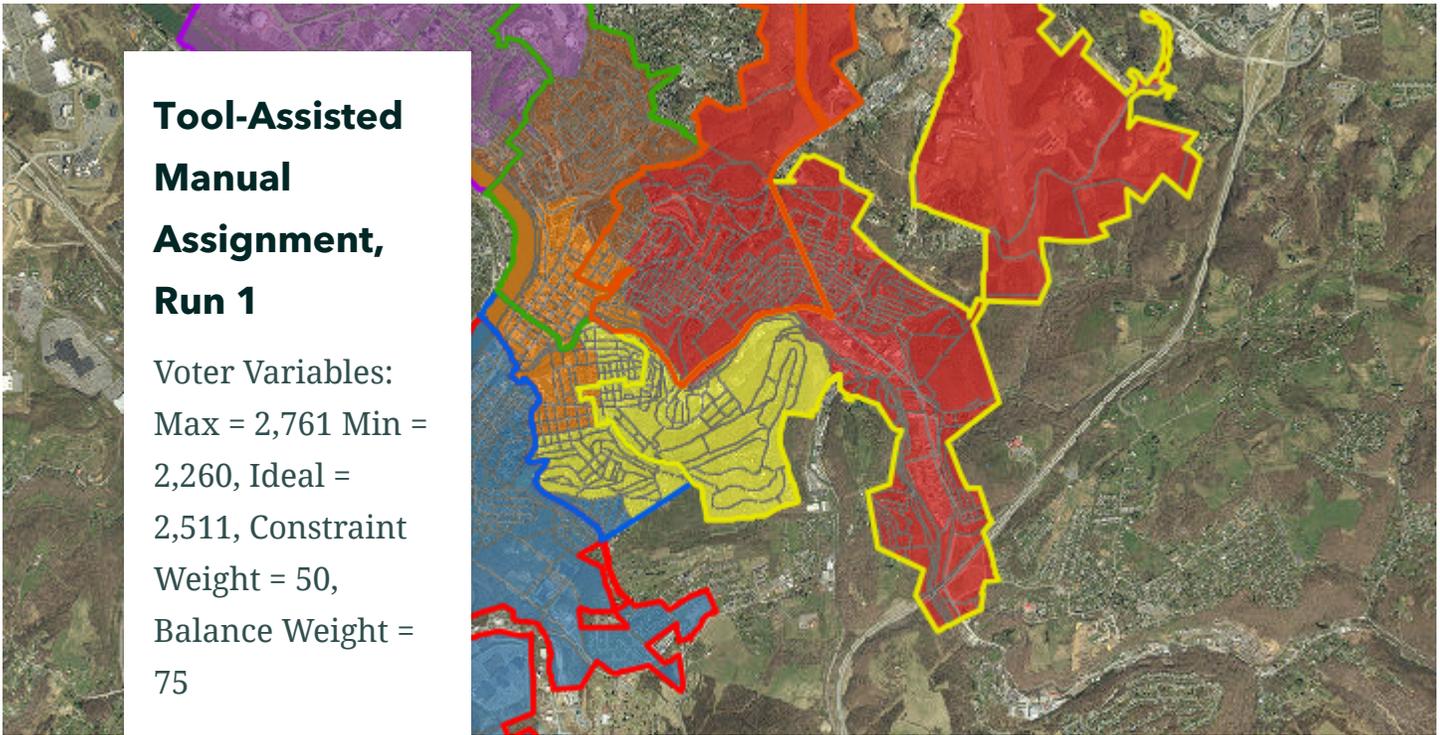
### *Registered Voters*

- Territory 1: 2,640 (+129, +5.1%)
- Territory 2: 2,436 (-75, -3.0%)
- Territory 3: 2,462 (-49, -1.9%)
- Territory 4: 2,383 (-128, -5.1%)
- Territory 5: 2,677 (+166, +6.6%)
- Territory 6: 2,384 (-127, -5.1%)
- Territory 7: 2,594 (+83, +3.3%)

## **Tool-Assisted Manual Assignment Maps**

Due to the raw tool-only output assigning non-adjacent parcel blocks to similar territories, additional manual inspection and assignment was necessary. Preservation of the raw output, while minding known neighborhood and physical boundaries where possible was the intention in the four runs that were presented to the Ward and Boundary Commission. After review and deliberations, *Tool-Assisted Manual Assignment, Run 4* was chosen as the map to proceed to the next stage of the project.

*The map shown below has the existing ward boundaries (bold outlines) on top of the analysis layer (filled colors).*



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**Tool-Assisted  
Manual  
Assignment,  
Run 2**

Voter Variables:

Max = 2,761 Min =

None, Ideal =

2,511, Constraint

Weight = 50,

Balance Weight =

50

Population

Variables: Max =

5,500 Min = None,

Ideal = 4,502,

Constraint Weight

= 50, Balance

Weight = 50

Compactness =

100

**Tool-Assisted  
Manual  
Assignment,  
Run 3**

Voter Variables:

Max = 2,761 Min =

None, Ideal =

2,511, Constraint

Weight = 90,

Balance Weight =

90

Population

Variables: Max =

5,500 Min = None,

Ideal = 4,502,

Constraint Weight

= 10, Balance

Weight = 10

Compactness =

100

## **Tool-Assisted Manual Assignment, Run 4**

*Same variables  
from Run 3, more  
attention paid to  
physical  
boundaries.*

Voter Variables:  
Max = 2,761 Min =  
None, Ideal =  
2,511, Constraint  
Weight = 90,  
Balance Weight =  
90

Population  
Variables: Max =  
5,500 Min = None,  
Ideal = 4,502,  
Constraint Weight  
= 10, Balance  
Weight = 10

Compactness =  
100

## **Stats**

Territory #: Count (Numerical Deviation from Ideal, %  
Deviation)

## **Tool-Assisted Manual Assignment, Run 1**

### *Population*

- Territory 1: 4,867 (+352, +7.8%)
- Territory 2: 3,174 (-1,341, -29.7%)
- Territory 3: 4,456 (-59, -1.3%)
- Territory 4: 5,113 (+598, +13.2%)
- Territory 5: 4,352 (-163, -3.6%)
- Territory 6: 3,213 (-1,302, -28.8%)
- Territory 7: 6,431 (+1,916, +42.4%)

### *Registered Voters*

- Territory 1: 2,619 (+108, +4.3%)
- Territory 2: 2,417 (-94, -3.7%)
- Territory 3: 2,462 (-49, -1.9%)
- Territory 4: 2,549 (+38, +1.5%)
- Territory 5: 2,456 (-55, -2.2%)
- Territory 6: 2,466 (-45, -1.8%)
- Territory 7: 2,607 (+96, +3.8%)

## **Tool-Assisted Manual Assignment, Run 2**

### *Population*

- Territory 1: 4,153 (-349, -7.8%)
- Territory 2: 3,841 (-661, -14.7%)
- Territory 3: 3,561 (-941, -20.9%)
- Territory 4: 6,222 (+1,720, +38.2%)
- Territory 5: 3,201 (-1,301, -28.9%)
- Territory 6: 5,523 (+1,021, +22.7%)
- Territory 7: 5,015 (+513, +11.4%)

### *Registered Voters*

- Territory 1: 2,543 (+32, +1.3%)
- Territory 2: 2,355 (-156, -6.2%)
- Territory 3: 2,576 (+65, +2.6%)
- Territory 4: 2,408 (-103, -4.1%)

- Territory 5: 2,534 (+23, +0.9%)
- Territory 6: 2,573 (+62, +2.5%)
- Territory 7: 2,587 (+76, +3.0%)

### **Tool-Assisted Manual Assignment, Run 3**

#### *Population*

- Territory 1: 4,792 (+290, +6.4%)
- Territory 2: 6,549 (+2,047, +45.5%)
- Territory 3: 3,472 (-1,030, -22.9%)
- Territory 4: 2,739 (-1,709, -38.0%)
- Territory 5: 5,666 (+1,164, +25.8%)
- Territory 6: 3,215 (-1,287, -28.6%)
- Territory 7: 5,029 (+527, +11.7%)

#### *Registered Voters*

- Territory 1: 2,622 (+111, +4.4%)
- Territory 2: 2,458 (-53, -2.1%)
- Territory 3: 2,533 (+22, 0.9%)
- Territory 4: 2,453 (-58, -2.3%)
- Territory 5: 2,423 (-88, -3.5%)
- Territory 6: 2,544 (+33, +1.3%)
- Territory 7: 2,543 (+32, +1.3%)

### **Tool-Assisted Manual Assignment, Run 4**

#### *Population*

- Territory 1: 3,434 (-1,068, -23.7%)
- Territory 2: 3,342 (-1,160, -25.8%)
- Territory 3: 4,456 (-46, -1.0%)
- Territory 4: 4,886 (+384, +8.5%)
- Territory 5: 4,173 (-329, -7.3%)
- Territory 6: 5,543 (+1,041, +23.1%)
- Territory 7: 5,682 (+1,180, +26.2%)

### *Registered Voters*

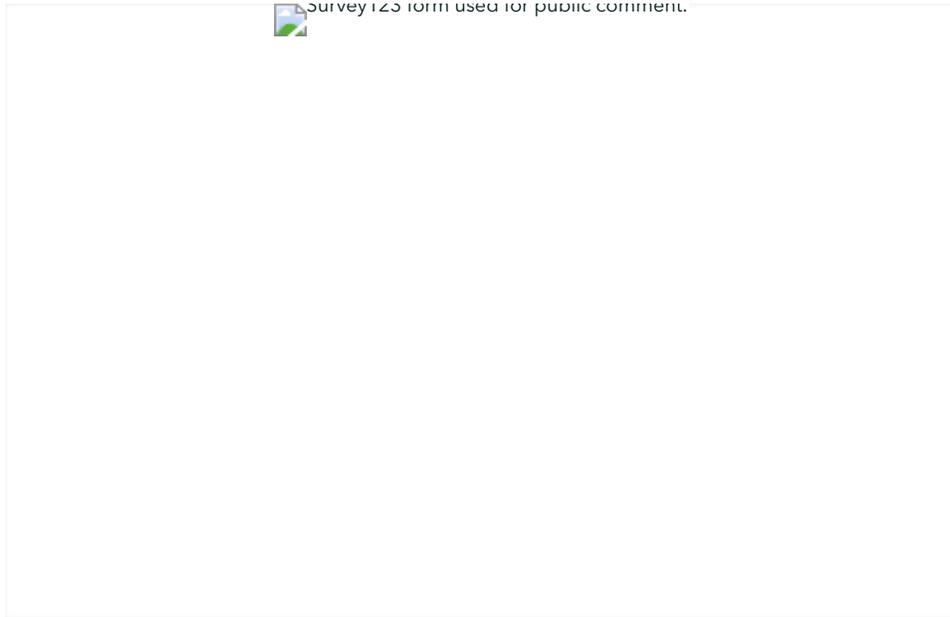
- Territory 1: 2,628 (+117, +4.7%)
- Territory 2: 2,550 (+39, +1.6%)
- Territory 3: 2,462 (-49, -1.9%)
- Territory 4: 2,449 (-62, -2.5%)
- Territory 5: 2,502 (-9, -0.4%)
- Territory 6: 2,550 (+39, +1.6%)
- Territory 7: 2,435 (-76, -3.0%)

## **Draft Map Submitted for Public Input**

The *Tool-Assisted Manual Assignment, Run 4* map was chosen for further refinement by the Ward and Boundary Commission. At this time, the "territory" naming conventions were changed to reflect the ward number whose existing boundary mostly encompassed the territory (i.e. *Territory 2* was assigned as *First Ward*). Adjustments were manually made to "smooth" boundaries in areas the Commission identified as a group. An area near Beverly Avenue and University Avenue was adjusted to prefer a natural boundary not reflected in the parcel blocks layer, and an area near Falling Run Road and Outlook Street was adjusted to ensure locations did not require travel through another ward to access their assigned ward.

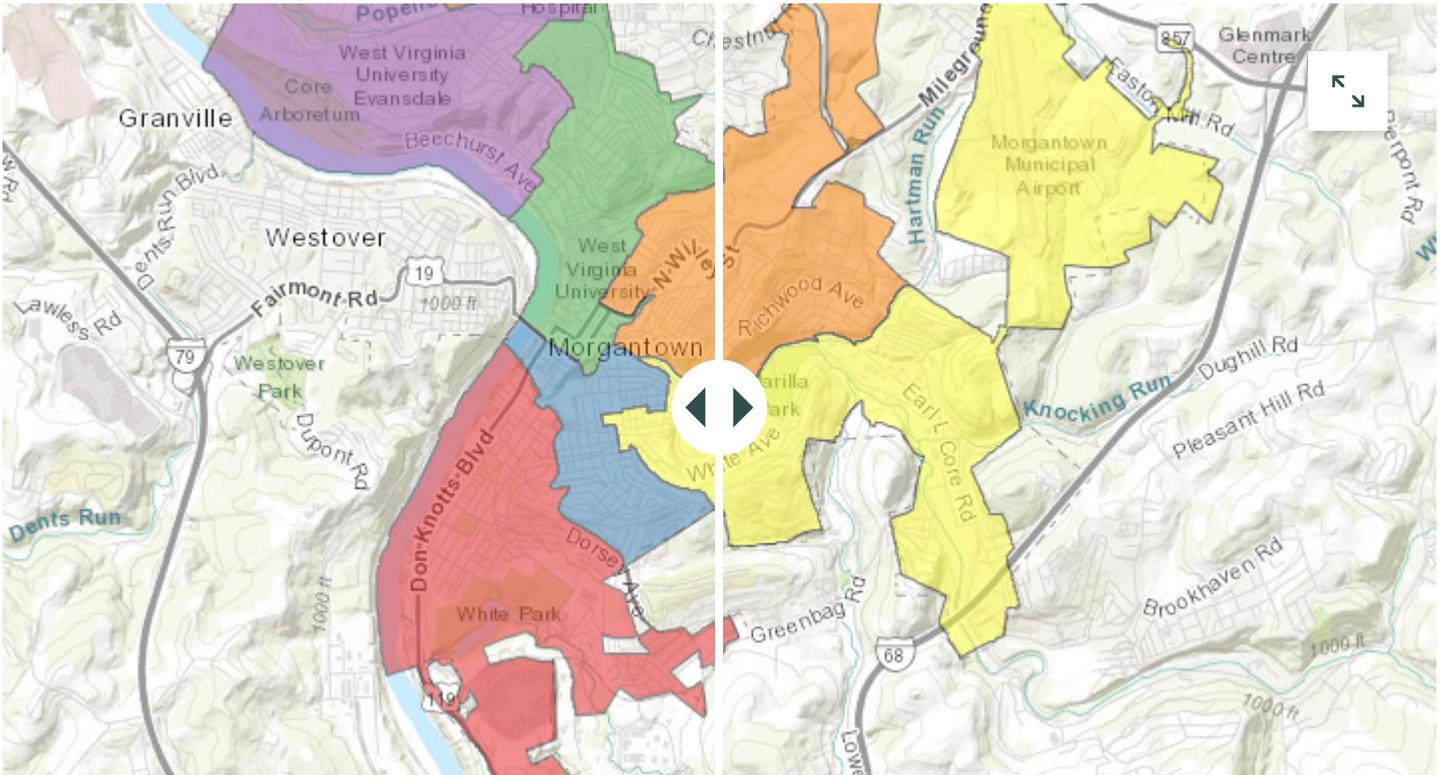
The map was put out for public comment until August 24th, 2020 to determine if further adjustments were made. Stats that reflect the adjustments are below the map.

Survey 123 form used for public comment.



Survey123 form used for public comment.

The viewer below shows existing (*left map*) and proposed (*right map*) boundaries that were open for public comment.



West Virginia GIS, Esri, HERE, Garmin, INCREMENT P, USGS, MET /NASA, NGA, EPA, USDA

Powered by Esri

Existing Wards (*left*) vs. Proposed Wards (*right*) for Public Input.

### Stats

Ward Name: Count (Numerical Deviation from Ideal, %

Deviation)

### *Population*

- First Ward: 3,258 (-1,244, -27.6%)
- Second Ward: 4,175 (-327, -7.3%)
- Third Ward: 5,684 (+1,182, +26.3%)
- Fourth Ward: 4,891 (+389, +8.6%)
- Fifth Ward: 5,535 (+1,033, +22.9%)
- Sixth Ward: 3,527 (-975, -21.7%)
- Seventh Ward: 4,452 (-50, -1.1%)

### *Registered Voters*

- First Ward: 2,501 (-10, -0.4%)
- Second Ward: 2,496 (-15, -0.6%)
- Third Ward: 2,459 (-52, -2.1%)
- Fourth Ward: 2,430 (-81, -3.2%)
- Fifth Ward: 2,551 (+40, +1.6%)
- Sixth Ward: 2,677 (+166, +6.6%)
- Seventh Ward: 2,462 (-49, -1.9%)

[Click Here to Download the Public Comments Report](#)

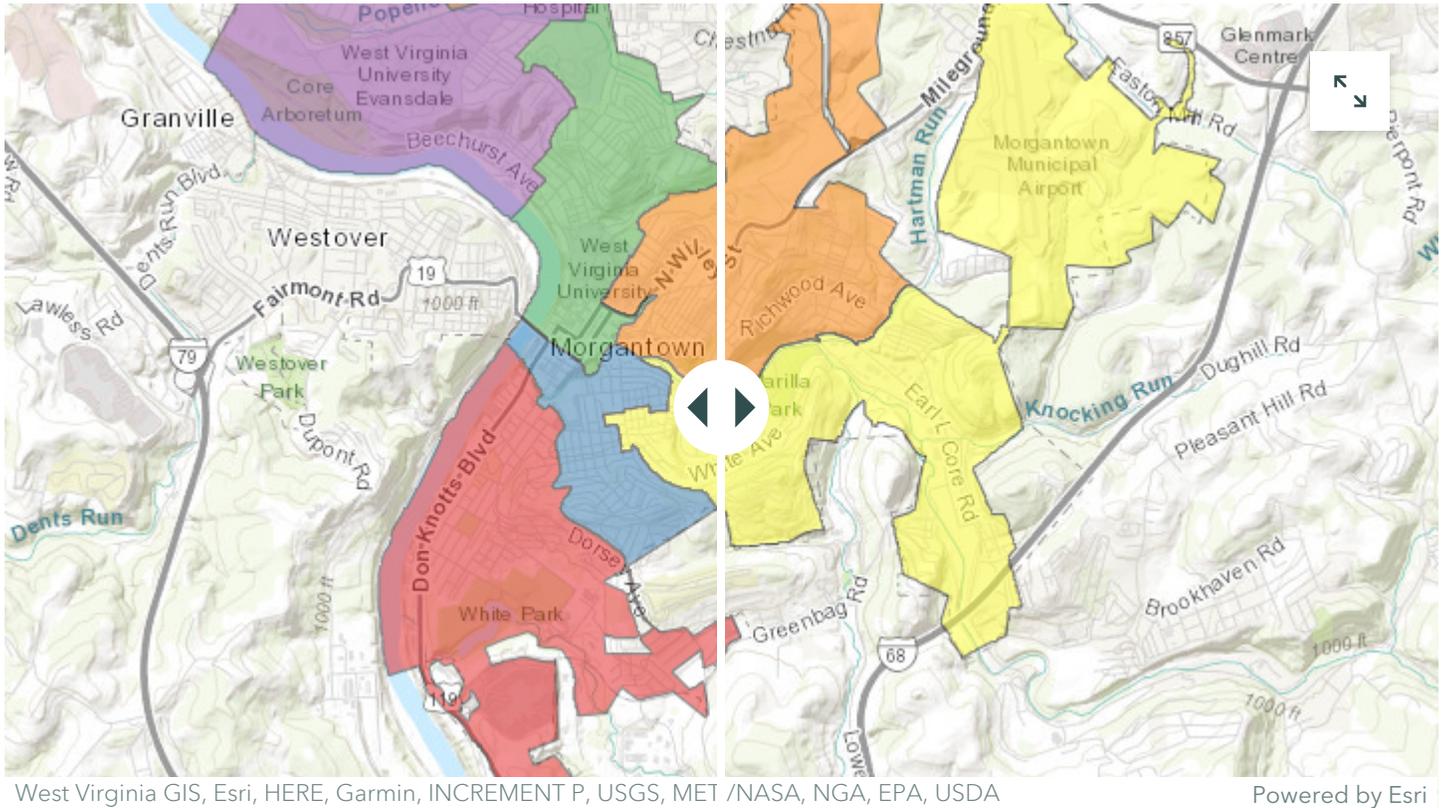
## **Approved Final Map**

The Ward and Boundary Commission reviewed the submitted comments in their August 26th, 2020 meeting, and decided on further revisions after concerns were raised about the proposed First, Second, and Sixth Wards in the comments. Second Ward was adjusted southward, from Jackson Avenue to Grandview Avenue, Franklin Street, and Davis Street, to include territory that was initially being switched from Second to First and Sixth Wards. The stats for the revisions are are below the map.

This map was approved by the Commission during its

September 10th, 2020 meeting and is the map being submitted to City Council for action.

The viewer below shows existing (*left map*) and proposed (*right map*) boundaries as approved by the Ward and Boundary Commission.



Existing (*left*) and revised proposed (*right*) ward boundaries.

### Stats

Ward Name: Count (Numerical Deviation from Ideal, % Deviation)

#### Population

- First Ward: 3,231 (-1,272, -28.3%)
- Second Ward: 4,299 (-204, -4.5%)
- Third Ward: 5,684 (+1,181, +26.2%)
- Fourth Ward: 4,891 (+388, +8.6%)
- Fifth Ward: 5,535 (+1,032, +22.9%)
- Sixth Ward: 3,527 (-1,073, -23.8%)

- Seventh Ward: 4,452 (-51, -1.1%)

### *Registered Voters*

- First Ward: 2,513 (+2, +0.1%)
- Second Ward: 2,496 (+48 +1.9%)
- Third Ward: 2,459 (-52, -2.1%)
- Fourth Ward: 2,430 (-81, -3.2%)
- Fifth Ward: 2,551 (+40, +1.6%)
- Sixth Ward: 2,677 (+91, +3.6%)
- Seventh Ward: 2,462 (-49, -1.9%)

## **Results and Evaluation**

This project was tailor-made for GIS analysis tools to assist in balancing the criteria set forth in the City Charter because of the needs to examine both data and geography. The use of Territory Design within Business Analyst was critical to this analysis due to the time constraints (a final Ward and Boundary Commission report to City Council must be submitted by September 30th). Manual analysis using the same data would have taken much longer than the available time allowed and not provided the same level of objective analysis into balancing the criteria.

### **Results of Analysis**

The project achieved the three goals issued by the Ward and Boundary Commission. The evaluations below are listed in the same order as the goals listed in the *Introduction* section. The results that are described in this section come from the map approved by the Commission during its September 10th, 2020 meeting (*Approved Final Map*).

**Goal #1:** *Balance population and count of registered voters across all seven wards as evenly as possible. If both criteria cannot be balanced evenly, provide greater weight to balancing the count of registered voters across all seven wards.*

The analysis was unable to provide similar balance of both population and counts of registered voters across each ward. However, when the analysis was weighted to provide balance for counts of registered voters, the results were able to yield deviations under 30% for population and under 10% for counts of registered voters. When compared to the existing wards' deviations in both population and counts of registered voters, the results showed an improvement in all seven wards by bringing those values closer to an ideal balance.

The distribution of registered voters and population currently does not allow for both to be balanced to the same extent. There exists a high registered-voter-to-population ratio to the south of Deckers Creek compared to the area to the north. There exists higher concentrations of population north of Deckers Creek compared to the south, notably in areas near and adjacent to the West Virginia University campuses in the Downtown and Evansdale areas. To achieve the best balance of both criteria, there needed to be a presence of three wards to the south of Deckers Creek while at least one ward must extend across Deckers Creek to the north. All variations of analyses presented illustrate this reality.

**Goal #2:** *Preserve existing neighborhoods as much as possible.*

Analysis and further adjustments by the Commission preserved known neighborhoods as much as possible. Given the lack of reliable GIS data for neighborhoods and understanding what residents consider to be their neighborhood, this can only be evaluated through anecdotal information provided by public comments and the Commission's input. This is further explained in the *Limitations* section.

**Goal #3:** *Utilize physical boundaries and ensure contiguity by preserving street connections across each ward.*

Physical boundaries were utilized across all wards and no

known travel disconnections exist between areas and the rest of their assigned ward. This does not mean residents have main thoroughfares or preferred access routes across their assigned ward. The analysis did not consider high-traffic or arterial streets that residents may use to travel to places of work, shopping, or services, but only that residents were not completely severed from the rest of their ward by another ward's boundary.

## **Limitations**

Limitations were presented in several ways.

1. The first limitation was not having GIS data representing a temporally-accurate segmentation of the City of Morgantown. An amalgam of 2010 Census Blocks and Monongalia County Tax Parcels provided the needed segmentation for this project, however, it would be much more reflective of existing features to have the 2020 Census Blocks for the next project. Subsequent projects where the blocks become temporally obsolete may require a more granular approach to segmentation.
2. The second limitation was relying on American Community Survey data, which is inherently an estimate of population, not an exact count. This may cause an unknown population shift in the future, especially when 2020 Census data becomes available, due to the difference between an exact count and an estimate.
3. The third limitation was the Territory Design tool lacking an "adjacency" requirement to avoid instances of blocks being assigned to nonadjacent territories as shown in the tool-only examples, therefore requiring refinement of the product to reflect a realistic political boundary. The only available option was generating results with the Compactness rating set to 100, which minimized, but did not eliminate, a "checkerboard" result with assigned territories.

4. The fourth limitation was a lack of verified neighborhood boundaries to reference against the analysis results. The attempt to preserve neighborhoods within one ward was undermined by the lack of such data, so the analysis required anecdotal input from the Ward and Boundary Commission to identify such boundaries. Public input showed there were discrepancies between what was assumed to be a neighborhood's extent and what residents considered to be their neighborhood. It is imperative to reconcile this discrepancy for future analyses.
5. The fifth limitation is the software package with which Territory Design currently exists. The Business Analyst package is not intended or marketed to be of use to local government organizations. Territory Design is incredibly useful, but is not available in any government-focused software package. This necessitates either a purchase of a full license to Business Analyst or a different analysis approach in the future.

While it may not be feasible to eliminate all limitations, future analyses should aim to minimize the effects of these limitations, or find new products or workflows that negate them.

## **Evaluation**

The role of GIS in this process was to provide the Ward and Boundary Commission the ability to make data-driven decisions. It is noted that this process is political, as is every electoral redistricting effort. This analysis was performed with objectivity as the key, as shown by issuing multiple versions from *Tool-Only Assignment* to *Tool-Assisted Manual Assignment*, which aided the Commission in having alternatives to select for refinement for the draft and approved versions, as shown in this report. Even during refinement, data was used to tabulate totals on the fly as suggestions for adjustments were being made during the public meetings.

While it was desired by the Commission to provide equitable balance of both population and counts of registered voters, current data showed that to be extremely difficult. However, the use of GIS tools greatly improved the balance of both criteria and provided the Commission a new perspective of data and geography in tandem. The project had limited time constraints and was further complicated by the necessity to have all-virtual meetings due to the ongoing COVID-19 pandemic. The maps shown in this report were distributed through the City's ArcGIS Online platform for Commission members to review and explore at any time, which greatly contributed to the Commission remaining informed, albeit remotely. Once maps were to a point that the Commission wished for public comment, Without the use of GIS technology for this project, this project would have become incredibly difficult, if not impossible to accomplish remotely and in the time given.

Due to events such as new U.S. Census data being released and the updating of voter rolls every election cycle, this report concludes that GIS has a critical role to determine any possible future adjustments to the ward boundaries. This report also concludes that timing be noted for future acquisition of required data and possible software licensing, if not already within the City's GIS software suite. Completion of this project within the allotted time is not indicative of time needed to perform similar analyses in the future. Additional time will be required if a different approach is necessary to address possible logistical or budgetary limitations in the future.

Finally, this report illustrated a different workflow from previous reviews of wards in the City of Morgantown, that utilized a software solution that had not been used in this manner before, according to representatives of ESRI. As a case study, Territory Design provided critical time-saving analyses that aided in the completion of this project. The results of the map approved by the Commission show this workflow and

use of the Territory Design tool was successful. Therefore, this report suggests any future analysis of the ward boundaries should build from what was learned during this project to maintain, and ideally improve, numerical balance between the City's wards.

## Credits

This final report was generated by Marvin A. Davis, GIS Analyst for the City of Morgantown.

Support and guidance for this project provided by the City of Morgantown Ward and Boundary Commission.

**City of Morgantown** <https://www.morgantownwv.gov/>

**Special Thanks to ESRI for use of their Business Analyst Solution for this project.** <https://www.esri.com/>

**Data Enrichment** <https://doc.arcgis.com/en/esri-demographics/reference/data-allocation-method.htm>

**Territory Design Tool** <https://pro.arcgis.com/en/pro-app/help/analysis/business-analyst/what-is-territory-design-.htm>

**WV GIS Technical Center** <https://wvgis.wvu.edu>

Powered by ArcGIS StoryMaps

**RESOLUTION AUTHORIZING APPLICATION FOR  
GOVERNOR'S HIGHWAY SAFETY PROGRAM GRANT**

The City of Morgantown hereby resolves that the City Manager, or a designee, is authorized to execute the attached grant application seeking funding from the Governor's Highway Safety Program, together with any other documents necessary to accept and administer the grant funds described in the attached documents.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2020

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Mayor

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City Clerk

**RESOLUTION**

The City of Morgantown hereby resolves that the attached revisions to the Rules and Regulations of the Police Civil Service Commission of the City of Morgantown are approved and adopted.

Adopted this \_\_\_\_ day of October, 2020.

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Mayor

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City Clerk

**RULES AND REGULATIONS**  
**OF THE**  
**POLICE CIVIL SERVICE COMMISSION**  
**OF THE**  
**CITY OF MORGANTOWN, WEST VIRGINIA**

**REVISED AND AMENDED**

**Last updated March 3, 2016**

**APPROVED BY COUNCIL**

By virtue of the authority vested in it by law, the Police Civil Service Commission of the City of Morgantown, West Virginia, has approved and published these rules and regulations for the administration of the Commission, effective on and after the Eighteenth Day of March 2020 the Commission reserving the right to alter, amend or revoke any of the said rules and regulations and to make additional ones from time to time as circumstances or good of the Commission may require.

By order of Police Civil Service Commission of the City of Morgantown, West Virginia, this Eighteenth day of March 2020.

Jerry Summers, President

Kevin Clark, Member

Charlie Chico, Member

Approved by the common Council of the City of Morgantown upon motion duly seconded, on the 6<sup>th</sup> day of October 2020.

Ron Dulaney, Jr., Mayor

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**RULES AND REGULATIONS OF THE POLICE CIVIL SERVICE COMMISSION**

**OF THE CITY OF MORGANTOWN, WEST VIRGINIA**

**AS ADOPTED**

**RULE I**

**ORGANIZATION AND DUTIES**

Section 1. At the first regular meeting held in January of each year, the Commission shall elect one of its members as president. It shall be the duty of the Commission to adopt, amend and enforce a code of rules for examinations for positions in the police service of the City of Morgantown and for the appointments and promotions therein, and it may amend the same from time to time or may temporarily suspend any of the provisions of the rules upon giving due notification and publication of such amendment or temporary suspension in the manner provided by law. It shall supervise all examinations held under these rules to ascertain the fitness and merit of candidates for the service of the City of Morgantown Police Department and for promotions therein, in respect to ability, character and industry, shall estimate and determine the relative excellence or standing of the persons examined and shall certify the same as provided by general law. It shall conduct such hearings as necessary in accordance with provisions of the general law, in all instances wherein charges have been brought or removal, reduction in rank, or suspension of a member of the Police Department is in question.

Section 2. It shall be the duty of the City Clerk to keep for the Commission an accurate record of its proceedings. The Commission shall make recommendations to the Mayor, the Chief of Police and the City Council as it may deem best for the interest of the service.

Section 3. The City of Morgantown shall provide and pay for the printing of all rules and regulations adopted by the Civil Service Commission.

Section 4. It is hereby declared to be the intention of the Police Civil Service Commission that the sections, paragraphs, sentences, clauses and phrases of these rules and regulations are severable; and if any phrases, clauses, sentences, paragraphs or sections shall be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections since the same would have been enacted by the Commission without the incorporation in these rules and regulations of any unconstitutional or invalid phrases, clauses, sentences, paragraphs or sections.

## **RULE II**

### **QUORUM**

Section 1. Two members of the Commission shall constitute a quorum provided that all three members have been notified of the meeting for the transactions of business. At least two members of the Commission must supervise the written and oral examinations, promotions and the written examinations for appointments, and determine those to be certified for appointment or promotion. In the event there is a tie vote, when there are only two members present, the tie vote automatically tables said motion until all three members are present.

## **RULE III**

### **APPLICATION FOR EXAMINATION**

Section 1. The Commission shall require persons applying for admission to any examination, provided for by the Civil Service Act or by the Rules of the Commission herein prescribed, to file with the Commission within 15 days prior to the proposed examination, a formal application in which the applicant shall complete in their own handwriting under oath or affirmation.

Section 2. The Commission may refuse to examine or, after examination, to certify as eligible, applicants found to lack any of the established preliminary requirements for the examination for which they apply; or who are unfit for the performance of the duties of the position to which they seek appointment; or who are addicted to the use of drugs or the excessive intoxicating beverages; or who have been guilty of a crime or a misdemeanor involving moral turpitude or disgraceful conduct; or who have been convicted of a felony; or who have been dismissed from the public service for delinquency or misconduct; or who have practiced or attempted to practice any deception or fraud in their applications; or whose character, in the opinion of the commission, is unsatisfactory. Any of the foregoing disqualifications shall be sufficient cause for removal of any appointee from the service pursuant to laws and regulations provided, if ascertained within five years after appointment.

Section 3. Any person who has or hereafter may resign under charges, or who has been or may hereafter be dismissed upon charges, shall not be admitted to examination for any position in the police service.

Section 4. No application for any position shall remain on file for more than two years from the date of application.

Section 5. Any applicant who fails to appear for examination when notified by the City Clerk by mail to the last address given shall be disqualified from further examinations for one year, unless a reasonable excuse for such absence be given to the Commission of such.

## **RULE IV**

### **QUALIFICATIONS FOR POSITIONS AS PROBATIONARY POLICE OFFICERS**

Section 1. All applicants for examinations for the position of probationary police officer shall, in addition to the general requirements of Rule ~~111~~ III, comply with the following qualifications prior to submission of an application:

- A. Must be 18 years of age and not more than 40 years of age at date of their application;
- B. Required to be a United States Citizen. WV Code 8-14-12(2);
- C. Required to have been honorably discharged, or generally discharged under honorable conditions, if he/she has previous military service;
- D. Required to submit documentary proof of birth and military service, if applicable;
- E. Must possess a valid operator's license from any state in the Union at the time of filing of the application and must possess a valid West Virginia operator's license within 30 days of employment;
- F. Must have a high school diploma or equivalent;
- G. Must meet the residency requirements as outlined on page 12.

Section 2. Each applicant shall be furnished with this Rule IV at the time he/she is given an application.

## **RULE V**

### **SELECTION PROCESS FOR POSITION AS PROBATIONARY POLICE OFFICER**

Section 1. The following selection process shall be used by the Commission to determine those candidates who are to be placed on the eligible list for appointment as probationary police officers. The Commission shall govern the selection process; however, several of the examination processes shall be conducted by the Chief of Police under the supervision of the Commission. At the conclusion of the selection process, a summary of all information and findings developed by the Chief of Police shall be presented to the Commission.

A. Written Examination. Applicants for appointment must pass, with a grade set by the Commission, the general adaptability test for police officers, which examination shall be practical in character and shall relate to such matters and include such inquiries as will fairly test the merit and fitness of the persons examined to discharge the duties of employment sought by them. The Commission shall conduct the written examination. No person other than the applicants taking the examination and the members of the Commission shall be in the examination room. The press may be present before and after the testing.

B. Oral Examination. All applicants for appointment who successfully pass the written examination test must also pass, to the satisfaction of the Commission, an oral examination to be given by the Commissioners for grading the applicants on the qualities of honesty, alertness, appearance, physique, social adaptability, training, experience and general moral background. Following the oral examination, each applicant must submit his/her fingerprints to the West Virginia State Police and the Federal Bureau of Investigation to determine a criminal record.

C. Background Investigation. Applicants for appointment who successfully passes the polygraph examination must pass, to the satisfaction of the Commission, a background examination conducted by the Police Department. This investigation will also include drug testing.

D. Polygraph Examination. The Commission, in its discretion, may require applicants who have successfully passed the foregoing examination tests to submit to a polygraph examination to determine the applicant's level of integrity, moral attitudes and related background. The examination shall be limited to those matters which pertain to the applicant's capability of fulfilling the duties and responsibilities of a police officer. The examiner shall be an accredited polygraph examiner approved by the Commission, with a list of questions to be asked each applicant approved by the Commission. The results of the polygraph examination shall be kept confidential, under the supervision of the Commission.

E. Physical Agility Test. The Commission, at its discretion, may require all applicants who successfully pass the written examination to undergo a physical agility test conducted by the Police Department under the

general supervision of the Commission. All applicants must successfully complete the entry-level training standards established by West Virginia Legislative Rule Title 149 Series 2 "Law Enforcement Training and Certification Standards".

All members of the Morgantown Police Department shall undergo an agility test once each year. Such test shall be job related and designed to measure the officer' s general fitness for police work.

F. Psychological Examination. The Commission, at its discretion, may require applicants for appointment to successfully pass standard psychological examinations selected and approved by the Commission.

**Note: The psychological examination will be required after receiving the job offer from the City Manager.**

G. Physical Examination. Applicants for appointment who successfully passes the background examination must undergo a medical examination which shall be conducted under the supervision of a doctor of medicine, at West Virginia University. Such Board must certify that the applicant is free from any bodily or mental defects, deformity, or diseases which might incapacitate him/her from the performances of duties. The Board shall examine each applicant in compliance with such physical standards as proposed by the Mayor and approved by the Commission, in addition to those outlined in Rule IV.

**Note: The Physical Examination will be required after receiving the job offer from the Manager**

After employment, each year an employee will be required to pass a minimal physical fitness performance requirement. If employee is unable to meet the standards; he/she will be re-tested by the Physical Fitness Test Battery as prescribed by department procedures that are consistent with "Cooper's Fitness Guidelines". Failure to meet such testing requirement will be noted in the Officer's annual performance evaluation. A second failure to satisfactorily pass the Physical Fitness Test after remedial training is subject to disciplinary action in accordance with department rules and regulations and code of conduct.

H. Recruit Training School. All applicants selected for final employment as a probationary police officer shall complete, to the satisfaction of the Police Department and the Commission, the basic academy for state and local law enforcement.

## **RULE VI**

### **REINSTATEMENT**

Section 1. An applicant for reinstatement under the provisions of Section 8-14-12 of the Civil Service Act shall file a regular application form and submit to a physical examination in exactly the same manner as any new applicant. Upon being properly certified by a board of two doctors of medicine, the doctor shall report such fact to the Chief of Police, who in turn shall immediately notify the President of the Commission, and such applicant shall be eligible for reinstatement at the discretion of the Commission and certified to the City Manager within thirty days next following the Medical Examiner's report, and he/she may then be appointed to the lowest rank in the Department next above the probationers. The cost of the physical examination shall be assumed by the applicant for reinstatement.

Section 2. Each applicant for reinstatement shall also satisfactorily pass a background investigation and polygraph examination, which shall be conducted by the Police Department under the supervision of the Commission, before his/her name shall be added to the list of eligibles.

Section 3. No police officer of any grade/rank who has been discharged for cause by the Chief of Police and whose case has been reviewed by the Commission and the discharge sustained by the Commission and who has not appealed as provided by law, shall be eligible for reinstatement.

Section 4. Any resignation tendered to the Chief of Police by any officer shall be fully stated and copies thereof mailed to each member of the Commission within twenty-four hours from the time received. A copy shall also, within said time, be deposited with the Clerk of said Commission and placed in the Commission's file.

## RULE VII

### PROMOTIONS

Section 1. Effective August 20, 2002 testing will be required for any promotion of any grade or rank (excluding Chief) within the Morgantown Police Department. All applicants for examination(s) for promotions from a lower grade/rank to the next higher grade/rank shall be required to have completed at least two years in the next lower grade/rank before they shall be eligible for promotion.

Section 2. Officers eligible for promotion will have a period of 14 calendar days beginning the day after the posting of the notice to apply for the examination. An applicant for promotion shall be graded on a scale of 100 points. This is to be comprised of 70 points for written examination, 30 points for seniority. The possibility of 30 points for this part shall be computed by awarding to each competitor one point for each full year of service he/she had with the department up to 30 years.

A. Written Examination. This part shall consist of such number of questions as may be set by the Commission, based upon subjects designed to show the familiarity of competitors with the knowledge involved in the class or position to which they seek promotion.

Section 3. All candidates for promotion who have passed the competitive examination specified above shall, before being promoted, undergo a medical examination appointed for such purpose by the City Manager. Such examination must certify that the applicant is free from any bodily or mental deficiencies, deformity or disease which might incapacitate him/her from the performance of the duties. The Board shall examine each candidate for promotion in compliance with the physical requirements as adopted by the City Manager and Commission.

Section 4. Each applicant for promotion will be notified within a reasonable time of the results of his/her examination(s).

Section 5. The actual conduct of every written examination shall be under the responsible supervision of at least two members of the Commission. No person other than the members of the Police Department taking the examination and the members of the Commission shall be in the examination room. The press may be present before and after the testing.

Section 6. Any applicant for appointment or promotion shall be automatically disqualified if he/she attempts, in any manner, to communicate with or influence the Commission or any members thereof with respect to any other applicant or any matter under their jurisdiction, except in a manner provided by law. Further, the Commission shall not receive or consider any such communication except such as it may invite in accordance with its rules and regulations or such as is submitted in a manner provided by law.

**RULE VIII**  
**CODE OF ETHICS**

Section 1. Any and all general orders issued by the Chief of Police shall be filed with the Commission, and may or may not thereafter be adopted by the Commission as a part of the Rules and Regulations.

**CODE OF ETHICS**

"As a law enforcement officer, my fundamental duty is to serve mankind; to safeguard lives and property; to protect the innocent against deception, the weak against oppression or intimidation and the peaceful against violence or disorder; and to respect the constitutional rights of all men to liberty, equality and justice.

I will keep my private life unsullied as an example to all, maintain courageous calm in the face of danger, scorn or ridicule; develop self-restraint; and be constantly mindful of the welfare of others. Honest in thought and deed in both my personal and official life, I will be exemplary in obeying the laws of the land and the regulations of my department. Whatever I see or hear of a confidential nature or that is confined to me in my official capacity will be kept secret unless revelation is necessary in the performance of my duty.

I will never act officiously or permit personal feeling, prejudices, animosities or friendships to influence my decisions with no compromise for crime and with relentless prosecution of criminals, I will enforce the law courteously and appropriately without fear or favor, malice or ill will, never employing unnecessary force or violence and never accepting gratuity.

I recognize the badge of my office as a symbol of public faith, and I accept it as a public trust to be held so long as I am true to the ethics of police service. I will constantly strive to achieve these objectives and ideals, dedicating myself before God to my chosen profession - "Law Enforcement."

## RULE IX

### PROCEDURES FOR HEARING BEFORE THE COMMISSION

#### Section 1. Definitions

- A. "Commission" shall mean the Police Civil Service Commission of the City of Morgantown, West Virginia.
- B. "Charged Officer" shall mean any member of the Department being subjected to disciplinary action by the Police Department by and through its proper officers and the City of Morgantown by and through its proper officers or either of them.
- C. "Department" shall mean the Morgantown Police Department, Morgantown, and Monongalia County, West Virginia.
- D. "General Orders" shall mean the general orders promulgated and adopted by the Department.
- E. "Rules and Regulations" shall mean the rules and regulations governing the conduct of the members of Department promulgated by the Department.
- F. "Ordinances" shall mean ordinances of the City of Morgantown.
- G. "Statutes" shall mean the laws enacted by the Legislature of the State of West Virginia and the Legislature of the United States of America.
- H. "Removing Officer" shall be the person who is attempting to cause the removal, discharge, suspension or reduction of any officer as stated in Chapter 8, Article 14, section 20 of Code.
- I. "Code" shall mean the Official Code of the State of West Virginia of 1931, as amended.

Section 2. Before any matter will be heard by the Commission, the Charged Officer shall have exhausted his administrative remedies provided by the General Orders, Rules and Regulations, Ordinances and the Charter of the City of Morgantown.

Section 3. The Removing Officer shall specify in writing served upon the Charged Officer at least three (3) days prior to any hearing conducted by the Removing Officer the particular Rules and Regulations, General Orders, Ordinances, Statutes and customs and usages of the Police Department, or any of them, alleged to have been violated by the Charged Officer, together with a short comprehensive statement of the conduct of the Charged Officer supporting the alleged violations of the aforesaid Rules and Regulations, General Orders, Ordinances, statutes or customs and usages or any of them.

Section 4. No charges other than those specifically set forth pursuant to paragraph 3 shall be considered by the Commission; provided, however, that the charges set forth pursuant to paragraph 3 may be amended in writing at any time prior to the first administrative hearing set forth in the General Orders and Ordinances provided such amendment be served upon the Charged Officer at least three (3) days prior to such hearing.

Section 5. After the exhausting of his administrative remedies, if the Charged Officer is desirous of appealing the decision rendered as a result of the administrative procedure, he/she shall give notice of this

intention to do so to the Commission in accordance with the provisions of Chapter 8, Article 14, section 20 of the Code and shall make a part of such notice an answer replying specifically to the charges alleged pursuant to Section 3 hereof. Such appeal shall then be heard by the Commission in accordance with the provisions of Chapter 8, Article 14, section 20 of the Code upon the issues made by the provisions of this section and those of section 3.

Section 6. The Removing Officer shall have the burden of proof and shall open and close the hearing. The hearing shall be held with the same decorum as a hearing before a court of general jurisdiction in the State of West Virginia. Failure of counsel for either party to conduct himself/ herself with proper decorum shall result in the discretion of the Commission in a continuance of the hearing until such time as the offending counsel shall assure the Commission that he/she will conduct himself/herself in a proper and decorous manner as is befitting an officer of the court.

Section 7. Counsel for parties may present opening and closing statements and may submit written briefs. If briefs are submitted, a copy shall be furnished to opposing counsel and three (3) copies shall be furnished to the Commission.

Section 8. The Commission shall take notice of all General Orders, Rules and Regulations, Charter of the City of Morgantown and State Statutes. Counsel for parties shall not be required to prove them or introduce them into evidence. Customs and usages of the Department not set forth in the General Orders or Rules and Regulations must be proved by the party asserting such custom and usage and the burden shall be upon such party to prove such custom and usage.

Section 9. If, after a hearing date shall have been set, the Charged Officer, either in person or by or through his/her attorney, shall fail to appear at said hearing, then the Charged Officer's appeal shall be dismissed by the Commission unless good cause be shown for such failure to appear in person or by counsel.

## **RESIDENCY REQUIREMENTS FOR MEMBERS OF THE MORGANTOWN POLICE DEPARTMENT**

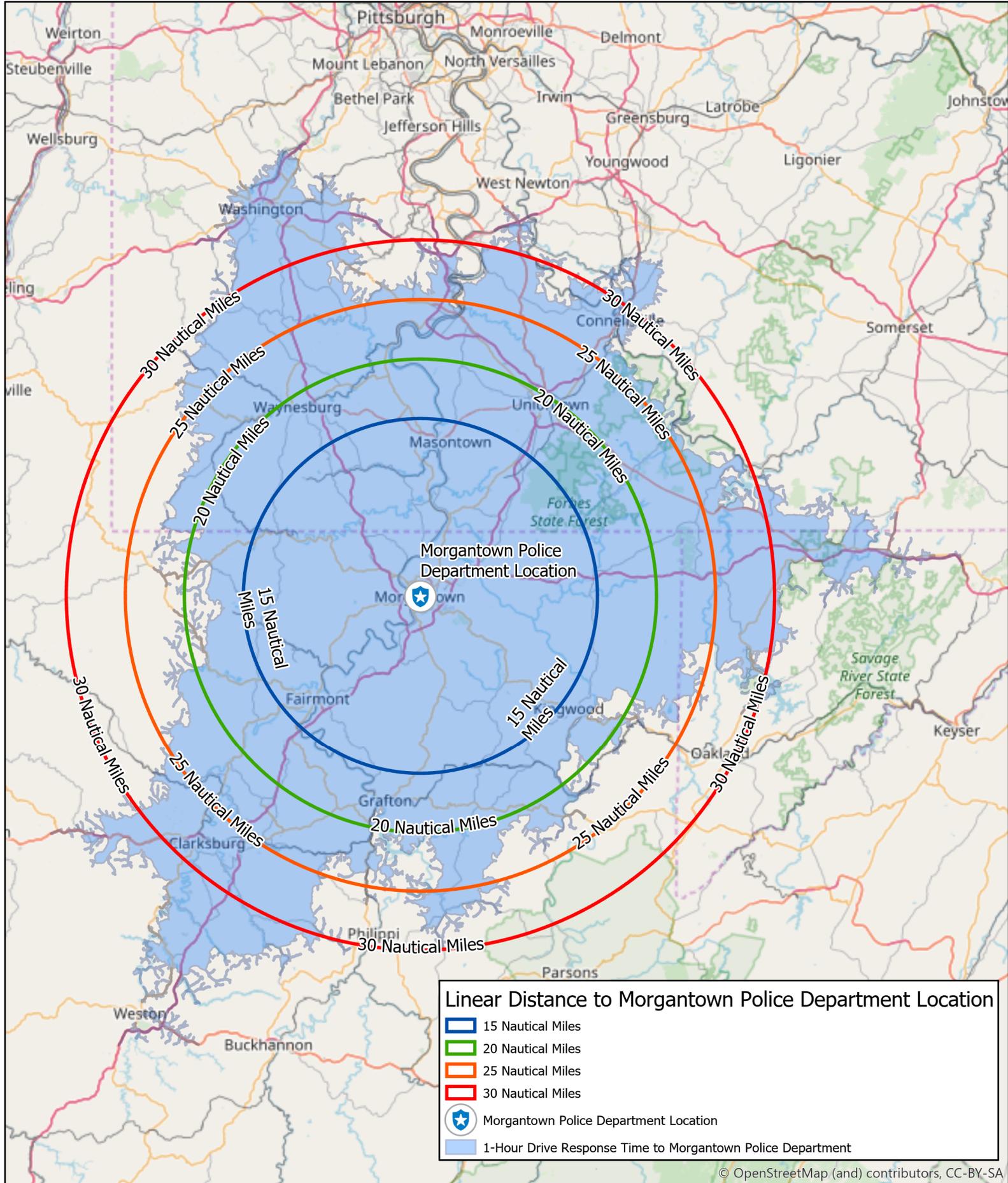
To assure that an adequate number of personnel is available at all times and that off-duty police officers will be available for call-back within a reasonable response time in emergency situations, the City finds it necessary to require that its police officers reside no further than a specified distance from their work place. Consequently, the following residency requirements shall apply:

1. Any police officer employed by the City of Morgantown shall establish and maintain his/her permanent physical residence within a one-hour driving time – as shown on the attached map of the Morgantown Police Department, 300 Spruce Street, Morgantown, WV, and shall continue to maintain his/her permanent physical residence within the residency area for the entire period of his/her active employment with the Morgantown Police Department. The area within which residency is required is shown on the map attached hereto and declared to be a part of these rules.

2. Any police officer who does not reside within this area at the time of his/her appointment shall establish his/her physical residence within the specified area within ninety calendar days of the date he/she receives notice that he/she has been awarded permanent employment status with the Police Department. An extension of this period for a period not to exceed ninety calendar days may be granted by the Police Civil Service Commission upon receipt of a written request from a police officer requesting such an extension. Any such request will be considered by the Commission only upon presentation of sufficient evidence that strict enforcement of the requirement would present a substantial hardship to the police officer requesting the extension. In no case shall the Commission delay the enforcement of this rule beyond the ninety-day extension period.

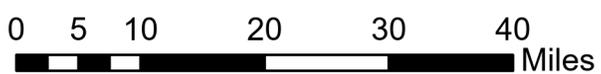
Any and all disputes involving the enforcement of this rule shall be decided by the Commission.

3. The residency regulation effective date is February 4, 2020.



Tuesday, December 31, 2019

# Morgantown Police Department Nautical Mile and Drive Time Analysis



**PRE-EMPLOYMENT PHYSICAL AGILITY SCREENING**  
**FOR West Virginia STATE AND LOCAL**  
**LAW ENFORCEMENT OFFICERS**

**PRE-EMPLOYMENT PHYSICAL AGILITY SCREENING**

The ADA provides that "an employer may give a physical agility test to determine physical qualifications necessary for certain jobs **prior** to making a job offer if it is simply an agility test and not a medical examination."\* Moreover, if an employer uses such a test, he must be prepared to demonstrate the job-relatedness of the test and that the test is consistent with business necessity.

The ADA Technical Assistance Manual, furthermore, clarifies that an agility test does not involve medical examinations or diagnoses by a physician. However, an employer "can request the applicant's physician to respond to a very restricted inquiry which describes the specific agility test and asks: "Can this person safely perform this test?".

In light of the above and the necessity in policing that physical capacity to learn and perform essential tasks must be demonstrated, the Commission devised a Pre-Employment Physical Agility Screening Test. The Commission did not devise a content-based test because they tend to have adverse impact and do not accurately predict actual candidate performance.

Based on the significant work of the Cooper Institute for Aerobics Research, the Commission proposed the battery of screening elements which are contained on the following page. The Commission recommends this process because its elements get to a candidate's train ability and does not have adverse impact. Also, it is the Commission's expectation that these elements can and will be administered locally and a determination of pass/fail made there as well. Failure in anyone element is sufficient to exclude the person from proceeding any further in the selection process. The instruction titled "How to Prepare for the Tests" also follows below and should be distributed to applicants well before test administration. Nevertheless, if a person fails an element, retesting can be provided if it suits the employer.

Finally, prior to undergoing the test battery, the applicant must present, signed, the attached "Doctor's certification of Fitness to Perform Agility Test." Failure to do so must mean exclusion from the testing process.

\* See Americans with Disabilities Act - A Technical Assistance Manual, U.S. EEOC, 1992, pp. IV-8/IV-9.

# **PRE-EMPLOYMENT PHYSICAL AGILITY SCREENING**

## **FOR West Virginia STATE AND LOCAL**

### **LAW ENFORCEMENT OFFICERS**

#### **TEST WILL BE GIVEN THE SAME DAY AS THE WRITTEN TEST**

West Virginia Legislative Rules 149-2-8.5 Physical Agility Standards, which determine an applicant officer's, pass/fail screening for admission into the basic entry level training program.

The following are the new requirements set forth as of 4-17-2015:

1. Sit-ups: Twenty-Eight (28) bent-leg sit-ups completed in one (1) minute.
2. Push-ups: Eighteen (18) conventional push-ups completed in one (1) minute.
3. One and one-half mile run- Fourteen Minutes and thirty-six seconds (14:36) as the elapsed time to complete run.

The flex, "sit and reach" test will no longer be used as a performance indicator of pass/fail for screening of admission into the basic entry level training program.

The test battery which has been described herein should be performed locally only as a pass/fail screening device. Once a candidate passes the elements according to the scores stated on the Pre-Employment Physical Agility Test Battery, the remaining elements of the local selection process may be applied.

#### **RELEVANCE OF TEST ITEMS TO ESSENTIAL TASKS**

The three elements of the test battery are designed to establish physical capacity to produce recruit level training and perform the essential tasks of policing. They are not simulations but rather assessments of the candidate's capacity to learn and perform essential physical tasks.

## HOW TO PREPARE FOR THE TESTS

The following guidelines are presented based on a twelve (12) week period preceding screening.

- Preparing for the MUSCULAR ENDURANCE test:

The progressive routine is to do as many bent-leg sit-ups (hands behind the head with someone holding your feet) as possible in one minute. At least three (3) times per week do three (3) sets (three (3) groups of the number of repetitions you did in one (1) minute).

- Preparing for the ABSOLUTE STRENGTH test:

D If you have access to weights, determine the maximum weight that you can bench press one time. Take 60% of that poundage. This will be your training weight. You should be able to do 8-10 repetitions of that training weight. Do three (3) sets of 8-10 repetitions adding 2 ½ -5 pounds every week.

D If you do not have access to weights, then the push-up exercise can be used. Determine how many push-ups you can do in one minute. At least three (3) times per week do three (3) sets of the amount you can do in one minute.

- Preparing for the CARDIOVASCULAR CAPACITY test:

Below is a gradual schedule that would enable you to perform a maximum effort for the 1.5-mile run. If you can advance the schedule on a weekly basis, then proceed to the next level. If you can do the distance in less time, then that is encouraged.

| WEEK | ACTIVITY | DISTANCE<br>(Miles) | TIME<br>(Minutes) | FREQUENCY<br>(Per Week) |
|------|----------|---------------------|-------------------|-------------------------|
| 1    | Walk     | 1                   | 17-20             | 5                       |
| 2    | Walk     | 1.5                 | 25-29             | 5                       |
| 3    | Walk     | 2                   | 32-35             | 5                       |
| 4    | Walk     | 2                   | 28-30             | 5                       |
| 5    | Walk/Jog | 2                   | 27                | 5                       |
| 6    | Walk/Jog | 2                   | 26                | 5                       |
| 7    | Walk/Jog | 2                   | 25                | 5                       |
| 8    | Walk/Jog | 2                   | 24                | 4                       |
| 9    | Jog      | 2                   | 23                | 4                       |
| 10   | Jog      | 2                   | 22                | 4                       |
| 11   | Jog      | 2                   | 21                | 4                       |
| 12   | Jog      | 2                   | 20                | 4                       |

**DOCTOR'S CERTIFICATION OF FITNESS TO PERFORM AGILITY TEST**

I have reviewed the attached four elements of the West Virginia Governor's Committee on Crime, Delinquency and Correction Physical Agility Test and find that the candidate identified below can/cannot (circle one) perform the elements of the test safely.

Candidate's Name: \_\_\_\_\_

Agency to Which Application Is Made: \_\_\_\_\_

Date of Examination: \_\_\_\_\_

Doctor's Signature: \_\_\_\_\_



# The City of Morgantown

430 SPRUCE STREET  
MORGANTOWN, WEST VIRGINIA 26505  
OFFICE: (304) 284-7405 FAX: (304) 284-7430  
[www.morgantownwv.gov](http://www.morgantownwv.gov)

## Office of the City Manager

### City Manager's Report for City Council Meeting on October 6, 2020

#### Information:

##### A. Distribution of PPE from Sister City Xuzhou, China

Our Sister City Xuzhou, China donated 20,000 disposable surgical masks, 500 medical isolation gowns, and 300 goggles to the City of Morgantown to help with our response to the Coronavirus pandemic. We very much appreciate Xuzhou's donation, generosity, and continued support of Morgantown, and we value being their Sister City.

Morgantown's Sister Cities Commission was crucial in the process of procuring the supplies and has helped develop a list of agencies and organizations to distribute the donated materials to. The attached memo describes what amount of each type of supply we are offering to each of the indicated agencies. We are in the process of contacting each agency and scheduling pick up of the supplies.

#### New Business:

##### A. Trick-or-Treating during the COVID Pandemic

At the September 15, 2020 Council meeting, I approached Council about the idea of setting trick-or-treating hours in the era of COVID. Council wished to get more public feedback and allow more time to pass before deciding. City staff shared some safety tips on social media and asked the public if they felt trick-or-treating could be done safely. The vast majority of comments received have been positive and in favor of proceeding with this tradition.

Since the September 15<sup>th</sup> meeting, the CDC has released information indicating that they consider traditional trick-or-treating a higher risk activity that could spread the virus. The local health department is awaiting an update from the Governor's Office, who is also supposed to be putting out guidance.

Some residents have expressed their intent to Trick-or-Treat, regardless of if the City sets official hours, while others have said they would not participate even if

hours were set. If council wishes to set hours and promote safe trick-or-treating, here are a few safety tips that can be used:

- Wear a mask
- Stay in your own neighborhood and keep groups small
- Stay outside, keep moving, and give others space
- Wash your hands and don't trick-or-treat if you feel sick
- Space candy out on a table as opposed to using a bowl
- Remember, if you don't want to participate, keep your lights

If Council wishes to approve of moving forward with trick-or-treating, I am suggesting that this occur on Saturday October 31<sup>st</sup> from 6pm – 8pm. We can help promote safety during COVID with flyers similar to the one attached.

#### **B. Bid Award – Airport Underground Tank Removal**

The Morgantown Municipal Airport sought bids to remove an underground diesel fuel tank that had been decommissioned about three years ago. The tank is next to the terminal building in the airline box. Scope of work includes excavation and removal of tank, testing and removal of soil, backfill of site, and pouring a new concrete top. The City received three bids which are summarized in the attached memo. We are recommending the lowest bidder, Miller Environmental Inc, at \$55,870.50. Miller Environmental was also the firm that removed the fuel tanks from the City Garage.

City Council approval is needed to award the bid.

#### **C. Bid Award – Airport ADA Door Replacement**

The Morgantown Municipal Airport sought bids to replace six entryway doors leading into the terminal to make them handicap accessible. Half of the doors do not currently have push button controls, and others are no longer operational. The doors and push button controls are located at the following locations: two doors on the south end of the terminal, two on the ramp side, and two on the north end of the terminal. The airport staff did some prep work for the electrical components on the door work. The City received three bids on the project which are summarized in the attached memo. We are recommending the lowest bidder, Royal Glass LLC, at \$ 60,130.00.

City Council approval is needed to award the bid.

Emily Muzzarelli, PE  
Interim City Manager, Morgantown, WV

# MEMO



**To:** City Council, Sister Cities Commission  
**From:** Emily Muzzarelli, Interim City Manager  
**Date:** 09-30-2020  
**RE:** Distribution of PPE Donation from Sister City Xuzhou, China

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The City of Morgantown was gifted Personal Protective Equipment (PPE) from our Sister City Xuzhou, China, including 20,000 disposable surgical masks, 500 medical isolation gowns, and 300 goggles to assist the Morgantown community battle the Coronavirus pandemic. We very much appreciate Xuzhou's donation, generosity, and continued support of Morgantown, and we value being their Sister City.

Morgantown's Sister Cities Commission was crucial in the process of accepting this donation. The process started in July, and involved coordination with the Xuzhou Office of Foreign Affairs, the China postal service, shipment by sea, US Customs and more. It was a practice in patience and persistence, but on September 15<sup>th</sup>, we received all the supplies at the front doors of City Hall.

Working with the Sister Cities Commission, the City and Commission identified a number of social, health, and emergency agencies in the community to distribute part of the supplies to. The City Manager's office is in the process of contacting each agency and scheduling pick up of the supplies. Thank you to all who made this generous donation a reality and success!

| AGENCY                        | MASKS | GOWNS | GOGGLES |
|-------------------------------|-------|-------|---------|
| Mylan Puskar Health Right     | 2,500 | 240   | 60      |
| Mon County Board of Education | 3,000 | 0     | 60      |
| Morgantown Community Kitchen  | 2,000 | 0     | 60      |
| WVU Medicine                  | 1,000 | 120   | 0       |
| Mon Health                    | 1,000 | 120   | 0       |
| Bartlett Housing Solutions    | 750   | 15    | 0       |
| Mon County Sheriff's Dept.    | 2,000 | 0     | 40      |

|                                        |       |   |    |
|----------------------------------------|-------|---|----|
| Monongalia EMS                         | 2,000 | 0 | 40 |
| The Partnership (for local businesses) | 1,000 | 0 | 0  |
| Greater Morgantown CVB                 | 150   | 0 | 0  |
| WV Center for Independent Living       | 150   | 0 | 0  |
| Magistrate's Office                    | 500   | 0 | 0  |
| Mountaineer Boys & Girls Club          | 200   | 0 | 0  |
| Salvation Army                         | 200   | 0 | 0  |
| Morgantown Fire Department             | 0     | 0 | 15 |
| Morgantown Police Department           | 0     | 0 | 15 |
| Morgantown Public Works Department     | 0     | 5 | 0  |
| City Administration                    | 400   | 0 | 10 |
| BOPARC                                 | 500   | 0 | 0  |
| Voter Impact Initiative                | 500   | 0 | 0  |





THE CITY OF  
**MORGANTOWN**  
WEST VIRGINIA

# TRICK-OR-TREAT

OCTOBER 31, 2020 | X:XX P.M. - X:XX P.M.

Be sure to follow these safety tips:

- Wear a mask
- Stay in your neighborhood in small groups
- Stay outside, keep moving and give others space
- Wash your hands and don't trick-or-treat if sick
- Space candy out on a table instead of in a bowl

*\*\*If not participating, turn off your porch light.*





Morgantown Municipal Airport

## The City of Morgantown

100 Hart Field Rd  
Morgantown, West Virginia 26505  
(304) 291-7461 Fax: (304) 291-7463

[www.morgantownwv.gov](http://www.morgantownwv.gov)  
[morgantownairport.com](http://morgantownairport.com)

# Memorandum

**To:** Emily Muzzarelli  
Interim City Manager

**From:** Jonathon Vrabel, Airport Director

**Date:** September 21, 2020

**Re:** Morgantown Municipal Underground Storage Tank Removal and Soil Excavation – Bid Call 2021-03

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Bids were opened at 3:00pm on September 17, 2020. The results are as follows:

| <b>CONTRACTOR</b>         | <b>COST</b> |
|---------------------------|-------------|
| Miller Environmental INC. | \$55,870.50 |
| Green River Group, LLC    | \$57,500.00 |
| Anderson Excavating LLC   | \$79,474.50 |

Airport staff has reviewed the submitted bid for completeness and adherence to the Bid Call requirement. It is recommended to award to Miller Environmental INC.



Morgantown Municipal Airport

## The City of Morgantown

100 Hart Field Rd  
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[morgantownairport.com](http://morgantownairport.com)

# Memorandum

**To:** Emily Muzzarelli  
Interim City Manager

**From:** Jonathon Vrabel, Airport Director

**Date:** September 21, 2020

**Re:** Morgantown Municipal Airport Replacement of Doors with Handicap Accessibility Controls – Bid Call 2021-01

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Bids were opened at 1:00pm on September 17, 2020. The results are as follows:

| <b>CONTRACTOR</b>            | <b>COST</b>  |
|------------------------------|--------------|
| Royal Glass, L.L.C.          | \$60,130.00  |
| Lombardi Development Company | \$129,500.00 |
| Davis Electric Co. Inc.      | \$138,320.00 |

Airport staff has reviewed the submitted bid for completeness and adherence to the Bid Call requirement. It is recommended to award to Royal Glass, L.L.C.