AGENDA
MORGANTOWN CITY COUNCIL
COMMITTEE OF THE WHOLE
Tuesday, March 26, 2019
7:00 p.m.

NOTE: Committee of the Whole Meetings of the Morgantown City Council are intended to provide an opportunity for the Council to receive information, ask questions, and identify policy options in an informal setting. No official action is taken at these meetings. At this Committee of the Whole Meeting the following matters are scheduled:

PRESENTATIONS:

1. MUB – Proposed Acquisition of River Road Public Service District (RRPSD)

PUBLIC PORTION:

ITEMS FOR DISCUSSION:

1. MUB – Proposed Acquisition of River Road Public Service District
2. Asset Purchase Agreement – City of Morgantown, Morgantown Utility Board and River Road Public Service District
3. Resolution Recommending the Assumption, and Re-Designation, of the River Road Public Service District’s Water Revenue Bond
4. Resolution Recommending the Acquisition of Assets of the Waterworks System of River Road Public Service District
5. Resolution Authorizing the Conveyance of the Assets of the Waterworks System of River Road Public Service District
7. Ordinance Authorizing the acquisition of the assets of the Waterworks System of River Road Public Service District and approving an acquisition agreement by and among River Road Public Service District, the City of Morgantown, and Morgantown Utility Board
8. Ordinance setting forth the rates, fees and charges for service to customers of the waterworks system of the City of Morgantown
9. Ordinance Authorizing Sale of Real Estate near the Morgantown Municipal Airport
10. Ordinance Annulling a Part of Beverly Alley and Dedicating Additional Right of Way

*IF YOU NEED AN ACCOMMODATION CONTACT US AT 284-7439*
MEMORANDUM

TO: City Council
    Paul Brake, City Manager
    Ryan Simonton, City Attorney

FROM: Timothy L. Ball, General Manager, MUB

DATE: March 20, 2019

SUBJECT: CITY COUNCIL – MEETING INFORMATION
COMMITTEE OF THE WHOLE
March 26, 2019

MUB wishes to present seven items for consideration at the City Council Committee of the Whole
meeting of March 26, 2019. Each of the items relate to the single topic of the acquisition of the
River Road Public Service District (RRPSD). The RRPSD is a potable water system which
purchases water from MUB, and which serves an area to the southwest of Westover / Morgantown.

Several months ago, the staff and Board of the RRPSD approached the County Commission to
express their desire to have their water system be acquired by MUB. The RRPSD parties explained
that they were frustrated by the challenges of keeping appropriate staff and meeting the obligations
of the PSD. The County Commission contacted MUB to express their support for the proposal that
the system be conveyed to MUB. MUB is agreeable to the proposal. We have entered into an
operations and maintenance agreement with the RRPSD, as an interim arrangement, until the
proposed acquisition can be achieved.

The proposed acquisition will require several different approvals. RRPSD and MUB have already
made preliminary approvals. City Council’s approval will be required as described below. In
addition, the acquisition must receive the approvals of both the County Commission and the WV
Public Service Commission (PSC).

We view the proposed acquisition as a win- win. The customers of the RRPSD will enjoy improved
service, including access to the greater technical and professional resources of MUB, with no
increase in rates. MUB will grow its customer base, thus reducing its fixed costs (on a per customer
basis). Such growth is an effective hedge against inflation, and neither party subsidizes the other.

At least one customer of RRPSD is likely to speak against the proposal, or against the details
thereof. Mr. Jerry Cochran has offered comments at a public hearing conducted by RRPSD on
March 13th, and at the MUB Board meeting of March 18th. Mr. Cochran recently filed a formal
complaint with the PSC against the RRPSD. The PSC duly considered the complaint and dismissed
it. Be assured that the PSC will give Mr. Cochran’s concerns appropriate consideration during its
review of the proposed acquisition.

This memo will serve as a read ahead to help you prepare for the meeting. Additional details are
described below. If you have any questions please feel free to contact me.

Informational Items – No Action Required

RRPSD approved a Resolution in favor of the proposed conveyance at a special meeting and
public hearing on March 13th.
MUB approved a Resolution in favor of the proposed conveyance at its regular Board meeting on March 18th. At that same meeting, MUB also approved a separate Resolution proposing that the City formally assume the outstanding long term debt of RRPSD and enact water rates related to that debt.

Copies of all three Resolutions are provided as formal expressions of recommendations from RRPSD and MUB to the City Council.

**Items Submitted for Formal Approval / Enactment**

Asset Purchase Agreement: The Asset Purchase Agreement (APA) is a three-way agreement between RRPSD, the City of Morgantown, and MUB; it provides for the sale of the assets of the RRPSD to the City, acting by and through MUB. The consideration paid by the buyers to the sellers is the assumption (by the buyers) of the seller's outstanding debt. The APA includes language making the purchase contingent upon the approval of the WV PSC. Approval of the transaction by the County Commission is required by the PSC, as part of the PSC's review and consideration.

Acquisition Ordinance: The Acquisition Ordinance officially expresses the City's approval of the proposed acquisition of the assets of RRPSD, and authorizes execution of the Asset Purchase Agreement, and other related actions necessary to accomplish the acquisition.

Bond Ordinance: The Bond Ordinance is the vehicle by which the City and MUB officially assume the outstanding debt of the RRPSD. Please note that the subject bonds are revenue bonds, and will be secured only by the revenues of MUB; as such they will not represent a financial liability of the City of Morgantown.

Rate Ordinance: The Rate Ordinance is necessary in order to incorporate the existing rates of the RRPSD into the MUB rate tariff, as the rates applicable to the water service area which is proposed to be acquired. The existing rates applicable to River Road customers will remain unchanged; MUB will hold those rates constant until the long term debt related to RRPSD has matured and been retired. Rates to all other MUB customers will be unaffected by the proposed rate Ordinance.

I enclose copies of the Asset Purchase Agreement, the Acquisition Ordinance, and the Rate Ordinance. The Bond Ordinance has been prepared and provided separately by Thomas Aman, of Steptoe & Johnson, on behalf of the City.

MUB respectfully requests that City Council move these four items to its regular meeting agenda, as follows:

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<tr>
<th>Item</th>
<th>1st Reading</th>
<th>2nd Reading</th>
<th>Public Hearing</th>
<th>3rd Reading</th>
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<tbody>
<tr>
<td>Asset Purchase Agree.</td>
<td>April 2nd</td>
<td>April 16th</td>
<td>April 16th</td>
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<td>Acquisition Ordinance</td>
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<td>Bond Ordinance</td>
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<td>Rate Ordinance</td>
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I will attend the March 26th meeting to present these items, and will be happy to provide any further explanation that you may desire.
ASSET PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of ______________ 2019, by and among the CITY OF MORGANTOWN, a West Virginia municipality (the “City”), and the MORGANTOWN UTILITY BOARD, a board duly appointed by the City and organized and existing under the provisions of W. VA. CODE §§ 8-20-1 et seq. (the “Board,” and together with the City, the “Buyer”), and RIVER ROAD PUBLIC SERVICE DISTRICT, a West Virginia public service district (the “Seller”) (collectively, the “Parties”).

W I T N E S S E T H:

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

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

WHEREAS, the City, acting by and through the Board, currently provides water treatment and distribution services to approximately 26,201 water customers and seven resale customers within the corporate limits of the City and in the surrounding unincorporated area;

WHEREAS, under the provisions of Chapter 16, Article 13A of the Code, the Seller operates and maintains a water distribution system that serves approximately 781 customers in Monongalia County, West Virginia pursuant to certificates of convenience and necessity issued by the Public Service Commission of West Virginia;

WHEREAS, the assets of the Seller’s public waterworks system includes, but is not limited to, pump houses, water transmission and distribution lines, water storage tanks, booster stations, mains, extensions, laterals, valves, connections, services, meters, and all other equipment and personal property used and useful in providing water service to the customers of the Seller, together with all real property, interests in land, leases, easements, rights-of-way, permits, certificates of convenience and necessity, deposit accounts, savings accounts, investments, tap fees, security deposits, accounts receivable, renewal and replacement accounts, customer contributions in aid of construction, bond sinking funds, bond reserve accounts, service territory and all other tangible and intangible assets owned or held by the Seller and used or useful in providing water service to the Seller’s customers (collectively, the “Waterworks System”);

WHEREAS, the Seller faces considerable cost and expense to continue to own, operate and maintain and to make necessary upgrades to the Waterworks System, including, but not limited to, routine renewal and replacement of the facilities that currently provide service to the customers of the Waterworks System;
WHEREAS, the Public Service Board of the Seller has determined that efficiencies in providing service may be achieved through a sale of the assets associated with the Waterworks System to the Buyer; and

WHEREAS, the Parties have determined that it is desirable for the Buyer to acquire the assets associated with the Waterworks System, and assume the service obligation of the Seller.

NOW, THEREFORE, in consideration of the Parties’ mutual obligations and interests, the covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree:

1. **PURCHASE AGREEMENT.** The Buyer hereby agrees to acquire from the Seller and the Seller hereby agrees to convey to the Buyer, for the consideration and upon the terms and conditions in this Agreement, the assets of the Waterworks System, including all extensions of the Waterworks System made after the date hereof and prior to the Closing (hereinafter defined), together with all real property, interests in land, leases, easements, rights-of-way, permits, certificates of convenience and necessity, deposit accounts, savings accounts, investments, tap fees, security deposits, accounts receivable, renewal and replacement accounts, customer contributions in aid of construction, bond sinking funds, bond reserve accounts, service territories and all other tangible and intangible assets owned or held by the Seller and used or useful in providing service to the customers of the Waterworks System.

2. **CONSIDERATION.** As consideration for the Seller’s conveyance of the assets associated with the Waterworks System to the Buyer (subject to the exceptions and reservations provided for herein), the Seller and Buyer agree as follows:

   A. **Fair Market Value.** The Seller and Buyer agree and each hereby acknowledge and represent that the consideration for the conveyance of the assets associated with the Waterworks System, as set forth in this Agreement, was reached through arm’s-length negotiations and represents the fair market value of the assets conveyed by the terms of this Agreement.

   B. **Payment, Assumption or Deferment of Indebtedness.** At Closing, the Buyer shall pay or defease the entire principal of, and interest accrued, or to accrue to the date of defeasance, or assume the following long-term indebtedness relating to the Waterworks System: (i) Water Revenue Bond, Series 2001 (West Virginia DWTRF Program), dated October 25, 2001, issued in the original aggregate principal amount of $1,068,500; and (ii) Water Revenue Bond, Series 2016 A (West Virginia DWTRF Program), dated August 11, 2016, issued in the original aggregate principal amount of $2,546,000 (collectively, the “Bonds”). Notwithstanding the foregoing, the Seller will continue to make all payments of principal, interest and administrative fees, if any, on the Bonds until Closing, at which time the Buyer will assume, pay or defease the Bonds.

3. **OPERATION OF THE WATERWORKS SYSTEM.** Unless otherwise agreed to by the Seller and the Buyer in writing, until Closing, day-to-day operation of the Waterworks System shall continue under the terms and conditions of the October 19, 2018 Operations and
Maintenance Agreement by and between the Board and Seller. From and after Closing, the Buyer shall own and operate the assets of the Waterworks System, including the former water service territory of the Seller, and all customers currently served by the Seller shall thereafter for all purposes be customers of the Buyer.

4. **FINAL METER READING AND BILLING.** Not later than two (2) weeks prior to the Closing, the Seller will provide the Buyer with a complete and current list, in electronic format acceptable to the Buyer, of the Seller's Waterworks System customers, including the name, telephone number (if known), mailing address, service address (if different from mailing address) and type of service (residential, commercial, wholesale, etc.) for each customer. The Seller shall be entitled to all revenue of the Waterworks System before Closing, and the Buyer shall be entitled to all revenue on and after Closing.

5. **NONASSUMPTION OF LIABILITIES AND UNDERTAKINGS OF THE SELLER AND THE BUYER.** The Buyer and Seller expressly agree that, except for the obligation, if any, under PSC rules and regulations, to make refunds under routine extension agreements between the Seller and its current customers for as long as, and to the same extent as, the Seller would have been obligated if the Seller had continued to own the Waterworks System, the Buyer is not assuming any liabilities, obligations or debts of the Seller, including, but not limited to, any liabilities, obligations or debts owed to individuals, banks, entities, vendors, consultants, attorneys, engineers, accountants, suppliers, governmental entities, repairmen and/or contractors, provided, however, the Buyer shall assume, pay or defease the Bonds. All other debts, obligations, encumbrances and liabilities of the Seller related to the Waterworks System will be settled prior to or at Closing, and any debts not settled at Closing will remain solely the obligation of the Seller and will be paid by the Seller. The Seller will hold harmless and indemnify the Buyer for any claim, debt, obligation, encumbrance or liability incurred by the Seller or the Waterworks System prior to the Closing. The Buyer shall hold harmless and indemnify the Seller for any and all payments due or to become due under the Bonds after the Closing.

6. **PSC CONSENT AND APPROVAL.** Pursuant to the provisions of W. VA. CODE § 24-2-12, and no later than twenty (20) days after execution of this Agreement, the Board and the Seller shall file and diligently pursue a joint petition to the PSC for consent and approval of the proposed sale of the assets associated with the Waterworks System and the material provisions of this Agreement. The joint petition will also seek PSC approval for any and all other related matters that may require PSC approval, including but not limited to any rate-related issues and the dismissal or agreed disposition of any formal complaint cases pertaining to the Waterworks System or other related proceedings then pending before the PSC.

7. **CLOSING.** Closing of the asset acquisition and sale contemplated by this Agreement, including delivery of all duly executed documents necessary to effect the conveyance of legal title to the Waterworks System ("Closing"), shall take place within thirty (30) days after the occurrence of (i) the issuance by the PSC of a final, non-appealable, order approving this Agreement and the proposed sale of the assets of the Waterworks System to the Buyer on the terms set forth herein, and (ii) the receipt of any other required waivers, consents or
approvals to the transfer of the assets of the Waterworks System to the Buyer. Upon mutual agreement of the Seller and the Buyer, the time of Closing may be extended.

8. CONVEYANCE AND TRANSFER. At Closing, the Seller shall deliver to the Buyer an apt and proper special warranty deed, bill of sale, lease, assignment and other necessary or appropriate instruments, each duly executed and in a form acceptable to the Buyer, transferring and conveying to the Buyer, its successors and assigns forever, good title to the assets of the Waterworks System, free and clear of liens and encumbrances, except that of the Bonds, together with all files, plats, maps, plans, records, ledgers, and similar property, or copies thereof, in any way connected with the rendition of water service by the Seller. The sale of all personal property and fixtures shall be “as is,” “where is,” “with all faults,” and without any implied warranties.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS BY THE SELLER.

A. General Representations and Warranties of Seller. The Seller represents and warrants to and covenants with the Buyer that as of the date of this Agreement and as of the date of the Closing:

(i) The Seller is a public service district, public corporation and political subdivision of the State of West Virginia.

(ii) The Seller, upon receipt of the prior consent and approval of the PSC and the holders of the Bonds, has the lawful right, power and authority and capacity to sell the assets to be conveyed pursuant to this Agreement in accordance with the terms, provisions and conditions of this Agreement.

(iii) The Seller is the owner of good and marketable fee simple title to the assets to be conveyed pursuant to this Agreement, free and clear of all liens, encumbrances or claims other than as provided herein.

(iv) There are no claims, actions, judgments, bankruptcies, liens, executions, suits, decrees, proceedings or orders presently pending or threatened against, by or affecting the Seller relating to the Waterworks System or the assets to be conveyed pursuant to this Agreement, nor is there any litigation nor any other proceedings (including condemnation or similar proceedings) before any court or government or administrative department, commission, bureau, board or agency, domestic or foreign, which threaten or affect the assets to be conveyed pursuant to this Agreement or which may, in any one case or in the aggregate, result in any material decrease in the value of, or constitute a lien or claim against the Waterworks System.

(v) No party, person or entity is in possession of any of the assets to be conveyed pursuant to this Agreement or any portion thereof, and no party, person or entity has any interest in such assets or any portion thereof, except the Seller.
(vi) This Agreement has been duly authorized, executed and delivered by the Seller and is a valid and legal obligation of the Seller.

(vii) From the date of this Agreement until Closing, the Seller will not sell, convey, lease or in any other way dispose of any of the assets of the Waterworks System to be conveyed pursuant to this Agreement.

(viii) Seller shall convey all improvements, machinery, equipment, tools, furniture and other fixed tangible assets of the Waterworks System that are necessary to the continued operation of the Waterworks System by the Buyer substantially in the manner as it was conducted prior to the date of this Agreement and the date of the Closing.

(ix) All information and data furnished by the Seller to the Buyer with respect to the Waterworks System and the assets to be conveyed pursuant to this Agreement are true, correct, complete and not misleading.

(x) The Seller will not cause or permit any action to be taken which will cause any of the foregoing representations, warranties and covenants to be untrue or unperformed on the date of the Closing.

(xi) The Seller will deliver at Closing all documents and instruments required by this Agreement and perform all acts necessary or appropriate for the consummation of the purchase and sale of the assets of the Waterworks System as contemplated by and provided for in this Agreement.

(xii) The Seller acknowledges and agrees that the Buyer, in entering into this Agreement, is not obligated to use, employ or hire any of the Seller's officers, officials, agents or employees and that, except as otherwise provided in this Agreement, the Buyer does not accept any responsibility for any contractual or legal obligations that the Seller might have to any other officers, agents or employees.

B. Environmental Representations, Warranties and Covenants of the Seller.

(i) The Seller represents and warrants that the Waterworks System has never been operated in a manner as to be in violation of any Environmental Laws, as hereinafter defined. For the purposes of this Section, the term "Environmental Laws" shall mean any "Superfund" or "Super Lien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, as may now or at any time hereafter be in effect, regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Substance or the release or threatened release of a Hazardous Substance. For the purposes of this Section 10.B.(i), the term "Hazardous Substance" shall mean and include a "hazardous substance," "pollutant," "contaminant" or "hazardous waste," as such terms are defined as such in (or for the purposes of) the Environmental Laws, petroleum products, asbestos and/or any hazardous, toxic or dangerous waste, substance or material.
(ii) The Seller agrees that it will not take any action or omit to take any action with respect to the Waterworks System prior to the date of the Closing that would be a violation of any Environmental Law or would result in the Waterworks System being in violation of any Environmental Law.

(iii) The Sellers covenants that to the fullest extent permitted by law, it will indemnify, hold harmless, and defend the Buyer from any and all claims, loss, damage, judgments, response costs, and expenses arising out of or in any way relating to a breach of these environmental representations, warranties and covenants contained herein, including, but not limited to: (a) costs of remediation or removal; (b) claims or judgments of third parties (including governmental agencies), for damages, penalties, response costs, injunctive or other relief; (c) expenses, including fees of attorneys and experts, for reporting the existence of hazardous substances or hazardous wastes to any governmental agency; and (d) any and all expenses or obligations, including attorneys’ fees, incurred at, before and after any trial or appeal therefrom or administrative proceeding or appeal therefrom, whether or not taxable as costs, including, without limitation, attorneys’ fees, paralegals’ fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses, all of which shall be paid by the Seller when accrued.

10. REPRESENTATIONS, WARRANTIES AND COVENANTS BY THE BUYER.

A. The Buyer represents and warrants to and covenants with the Seller that as of the date of this Agreement and as of the date of the Closing:

(i) The City is a municipality, public corporation and political subdivision of the State of West Virginia.

(ii) The Board is was duly created and vested with the responsibility for the supervision, management, control and operation of the City’s combined waterworks, sewerage and stormwater system in accordance with the provisions of Chapter 8, Article 20 of the Code by an ordinance duly enacted by the City on September 1, 1987, as amended on May 1, 2007.

(iii) The Buyer has the lawful right, power and authority and capacity to acquire the assets of the Waterworks System pursuant to this Agreement in accordance with the terms, provisions and conditions of this Agreement.

(iv) This Agreement has been duly authorized, executed and delivered by the Buyer and is a valid and legal obligation of the Buyer.

(v) The Buyer has had adequate opportunity to inspect the Waterworks System and accepts it in its current condition.
11. **INDEMNIFICATION.**

   A. The Seller shall indemnify, defend, and hold Buyer, its employees, members, officers and agents harmless from and against any and all losses, claims, demands, suits, judgments, liabilities, liens, encumbrances, defects in title, fines or penalties, whether groundless or not, (a) that accrue or relate to times prior to the Closing and that arise from the Seller’s activities related to the Waterworks System, or (b) any breach by the Seller as of or after the Closing of the Seller’s representations, warranties, covenants or agreements under this Agreement.

   B. The Buyer shall indemnify, defend, and hold Seller, its employees, members, officers and agents harmless from and against any and all losses, claims, demands, suits, judgments, liabilities, liens, encumbrances, defects in title, fines or penalties, whether groundless or not, (a) that accrue or relate to times prior to the Closing and that arise from the Buyer’s activities related to the Waterworks System, (b) any breach by the Buyer as of or after the Closing of the Buyer’s representations, warranties, covenants or agreements under this Agreement, or (c) Buyer’s failure to comply with the terms of the Bonds in any respect.

12. **BINDING EFFECT.** This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, their respective successors and assigns.

13. **NOTICES.** Any notice to be given hereunder to the Seller or the Buyer shall be sent by registered mail to the following:

   **Seller:**
   River Road Public Service District  
   Attn: Chairman  
   94 Union Church Road, Suite 100  
   Morgantown, West Virginia 26501

   **Buyer:**
   Morgantown Utility Board  
   Attn: General Manager  
   Post Office Box 852  
   Morgantown, West Virginia 26507-0852

14. **AMENDMENTS.** No amendments to this Agreement shall be effective until reduced to writing and executed by all of the Parties hereto. This instrument constitutes the entire agreement between the parties. No party shall be bound by any terms, conditions, statement, or representation, oral or written, not herein contained. Each party hereby acknowledges that in executing this contract it has not been induced, persuaded, or motivated by any promise or representation made by the other party, unless expressly set forth herein. All previous negotiations, statements and preliminary instruments by the Parties or their representatives are merged in this instrument. The terms of this Agreement shall survive closing.
15. **FORCE MAJEURE.** If the performance by any of the Parties of the covenants or agreements contained herein is delayed or prevented for reasons beyond the control of that party, such as an act of God, act of war, strike, lockout, restraint of labor from whatever cause, either partial or general, riot or civil commotion, order of court or administrative tribunal having jurisdiction over either party hereto, then and in any of those events, that party shall be excused from such performance to the extent that it is necessarily prevented, hindered or delayed thereby, during the continuance of any such happening or event and the time for such performance shall be extended commensurate with such delays, provided, however, that party claiming an excuse from performance under this paragraph shall notify the other party in writing of the occurrence of any such event of force majeure within a reasonable time after it becomes known.

16. **EXECUTION IN COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

17. **GOVERNING LAW.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of West Virginia, and the enforcement hereof shall be exclusively within the jurisdiction of the Circuit Court of Monongalia County, West Virginia, and the PSC.

18. **CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT.** The Parties hereto understand and agree that this Agreement, and the obligations of the Parties hereunder, are expressly conditioned upon the following, each of which is a condition precedent to the validity and enforceability of this Agreement:

A. The representations and warranties set forth in Sections 9 and 10 of this Agreement shall be true and correct in all material respects at and as of the Closing date.

B. This Agreement and the proposed acquisition by the Buyer of the assets of the Waterworks System and assumption of the Bonds shall be approved by the Public Service Board of the Seller at properly noticed meeting(s) of said Public Service Board by resolution properly adopted.

C. This Agreement and the proposed acquisition by the Buyer of the assets of the Waterworks System and assumption of the Bonds shall be approved by the Council of the City at properly noticed meeting(s) of said Council by ordinance and/or supplemental resolution properly enacted and/or adopted.

D. The PSC shall have entered a final, non-appealable, order that approves (i) a Joint Petition to be filed by the Board and Seller, and (ii) this Agreement and the specific terms and conditions related to any ratemaking and regulatory treatments contained in this Agreement or in any joint stipulation among the Parties approving this Agreement.

E. The order of the PSC shall not contain nor have attached to or otherwise incorporate into it any terms, conditions, or limitations that, in the sole opinion of either the Board or Seller, shall adversely affect the economic feasibility of the Agreement.
F. The Seller has received written approval from the holders of the Bonds to the Buyer's acquisition of the Waterworks System, the Buyer's assumption of Seller's obligations under the Bonds, and the Seller's release from all obligations under the Bonds.

G. The Buyer and Seller shall have received all required consents or waivers to the sale and transfer of the assets of the Waterworks System to the Buyer. If any required consent or waiver cannot be timely obtained, the Buyer and Seller may elect to waive this condition precedent and proceed to close the sale on such further or additional written terms as may be mutually agreed to.

H. The Parties shall have agreed to such documents of transfer, specifically including, but not limited to, an opinion of counsel satisfactory to the Parties stating that legal and marketable title to real property, interests in real property, leases, easements, and rights-of-way have been conveyed from the Seller to the Buyer as of the Closing Date.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

CITY OF MORGANTOWN

By: ________________________________
   Its: Mayor

ATTEST:

Recorder

MORGANTOWN UTILITY BOARD

By: ________________________________
   Its: Chairman

ATTEST:

Secretary

RIVER ROAD PUBLIC SERVICE DISTRICT

By: ________________________________
   Its: Chairman

ATTEST:

Secretary
Utility Board Resolution – River Road PSD

THE CITY OF MORGANTOWN

Assumption of
River Road Public Service District Water Revenue Bond, Series 2001
(West Virginia Drinking Water Treatment Revolving Fund)
River Road Public Service District Water Revenue Bond, Series 2016 A
(West Virginia Drinking Water Treatment Revolving Fund)

AUTHORIZING RESOLUTION OF
MORGANTOWN UTILITY BOARD

RESOLUTION RECOMMENDING THE ASSUMPTION, AND
RE-DESIGNATION, OF THE RIVER ROAD PUBLIC SERVICE
DISTRICT'S WATER REVENUE BONDS, SERIES 2001 (WEST
VIRGINIA DWTRF PROGRAM); AND WATER REVENUE
BONDS, SERIES 2016 A (WEST VIRGINIA DWTRF
PROGRAM) FOR THE PURPOSE OF FINANCING, OR ACTING
AS CONSIDERATION FOR, THE CITY OF MORGANTOWN'S
ACQUISITION OF THE ASSETS OF THE WATERWORKS
SYSTEM OF RIVER ROAD PUBLIC SERVICE DISTRICT.

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

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

WHEREAS, River Road Public Service District (the “District”) is a public service
district and public corporation created by order of The County Commission of Monongalia
County pursuant to the provisions of Chapter 16, Article 13A of the Act;

WHEREAS, the District currently provides water distribution service to
approximately 781 customers in Monongalia County, West Virginia;
WHEREAS, the assets of the District’s public waterworks system includes, but is
not limited to, pump houses, water transmission and distribution lines, water storage tanks,
booster stations, mains, extensions, laterals, valves, connections, services, meters, and all other
equipment and personal property used and useful in providing water service to the customers of
the District, together with all real property, interests in land, leases, easements, rights-of-way,
permits, certificates of convenience and necessity, deposit accounts, savings accounts,
investments, security deposits, accounts receivable, renewal and replacement accounts, customer
contributions in aid of construction, bond sinking funds, bond reserve accounts, service territory
and all other tangible and intangible assets owned or held by the District and used or useful in
providing water service to the District’s customers (collectively, the “Waterworks System”);

WHEREAS, the District currently has outstanding the following indebtedness
secured by the Waterworks System: (i) Water Revenue Bond, Series 2001 (West Virginia
DWTRF Program), dated October 25, 2001, issued in the original aggregate principal amount of
$1,068,500, and (ii) Water Revenue Bond, Series 2016 A (West Virginia DWTRF Program),
dated August 11, 2016, issued in the original aggregate principal amount of $2,546,000
(collectively, the “Bonds”);

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

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

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

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

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

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

Section 2. The Utility Board hereby recommends the enactment by the City
of an ordinance substantially in the form attached hereto and made a part hereof as Exhibit B, in
connection with the water service rates to be applicable only to the customers served by the
District’s Waterworks System.
Section 3. The Utility Board hereby repeals any resolution or ordinance which it has previously enacted which is inconsistent with the provisions hereof.

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

[Remainder of Page Intentionally Blank]
Adopted this 18th day of March 2019.

MORGANTOWN UTILITY BOARD

By: [Signature]

Its: Chairman
EXHIBIT A

Form of Bond Ordinance
EXHIBIT B

Form of Rate Ordinance
MORGANTOWN UTILITY BOARD

RESOLUTION RECOMMENDING THE ACQUISITION OF ASSETS OF THE WATERWORKS SYSTEM OF RIVER ROAD PUBLIC SERVICE DISTRICT AND RECOMMENDING APPROVAL OF AN ACQUISITION AGREEMENT BY AND AMONG RIVER ROAD PUBLIC SERVICE DISTRICT, THE CITY OF MORGANTOWN AND MORGANTOWN UTILITY BOARD

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

WHEREAS, the City, acting by and through the Board, currently operates and maintains a water treatment and distribution system that serves approximately 26,201 customers in Monongalia County, West Virginia pursuant to certificates of convenience and necessity issued by the Public Service Commission of West Virginia (“Commission”);

WHEREAS, River Road Public Service District (the “District”) is a public service district and public corporation created by order of The County Commission of Monongalia County (the “County Commission”) pursuant to the provisions of Chapter 16, Article 13A of the Code;

WHEREAS, the District currently provides water distribution service to approximately 781 customers in Monongalia County, West Virginia;

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

WHEREAS, the assets of the District’s public waterworks system includes, but is not limited to, pump houses, water transmission and distribution lines, water storage tanks, booster stations, mains, extensions, laterals, valves, connections, services, meters, and all other equipment and personal property used and useful in providing water service to the customers of the District, together with all real property, interests in land, leases, easements, rights-of-way, permits, certificates of convenience and necessity, deposit accounts, savings accounts, investments, security deposits, accounts receivable, renewal and replacement accounts, customer contributions in aid of construction, bond sinking funds, bond reserve accounts, service territory and all other tangible and intangible assets owned or held by the District and used or useful in providing water service to the District’s customers (collectively, the “Waterworks System”);
WHEREAS, the District currently has outstanding the following indebtedness secured by the Waterworks System: (i) Water Revenue Bond, Series 2001 (West Virginia DWTRF Program), dated October 25, 2001, issued in the original aggregate principal amount of $1,068,500, and (ii) Water Revenue Bond, Series 2016 A (West Virginia DWTRF Program), dated August 11, 2016, issued in the original aggregate principal amount of $2,546,000 (collectively, the “Bonds”);

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

WHEREAS, the Board has determined that it is in the best interests of the City to acquire the Waterworks System;

WHEREAS, as the entity vested by the City with responsibility for the supervision, management, control and operation of the City’s System, pursuant to its adoption of this Resolution, the Board recommends to the City that it acquire the Waterworks System in order to provide water treatment and distribution service to the current customers of the Waterworks System (the “Acquisition”), all on the terms, conditions, and limitations substantially as set forth in the form of an agreement attached hereto as Exhibit A and incorporated herein by reference (the “Acquisition Agreement”); and

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

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

Section 1. The Board hereby recommends that the City acquire the Waterworks System in order to provide water treatment and distribution service to the current customers of the Waterworks System.

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

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

Section 4. The Board hereby recommends that the City be authorized to approve the final forms of and execute, all documents necessary and appropriate to facilitate the Acquisition, specifically including, but not limited to, the Acquisition Agreement.
Section 5. Each member of the Board voting for this Resolution deems it to be in the best interests of the City to acquire the Waterworks System from the District.

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

Section 7. The Chairman and Secretary are hereby authorized to approve the final forms of, and execute, all documents necessary and appropriate to facilitate the Acquisition, specifically including, but not limited to, an Acquisition Agreement, subject to the requirements set forth in this Resolution.

Section 8. This Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]
Adopted this 18th day of March 2019.

MORGANTOWN UTILITY BOARD

By: ____________________________

Its: Chairman
EXHIBIT A

Form of Acquisition Agreement
RIVER ROAD PUBLIC SERVICE DISTRICT

A RESOLUTION AUTHORIZING THE CONVEYANCE OF THE ASSETS OF THE WATERWORKS SYSTEM OF RIVER ROAD PUBLIC SERVICE DISTRICT TO THE CITY OF MORGANTOWN, ACTING BY AN THROUGH MORGANTOWN UTILITY BOARD; AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE CONVEYANCE; AND SETTING FORTH OTHER MATTERS RELATED THERETO.

WHEREAS, River Road Public Service District (the “District”) is a public service district, public corporation and political subdivision created by order of The County Commission of Monongalia County (the “County Commission”) and formed pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the “Code”), to operate a waterworks system within its service territory in Monongalia County, West Virginia;

WHEREAS, by prior order of the Public Service Commission of West Virginia (the “PSC”), the District was granted certificates of convenience and necessity to construct and operate a waterworks system serving areas in Monongalia County, West Virginia;

WHEREAS, the District currently provides water service to approximately 781 customers in Monongalia County, West Virginia;

WHEREAS, the assets of the District’s public waterworks system includes, but is not limited to, pump houses, water transmission and distribution lines, water storage tanks, booster stations, mains, extensions, laterals, valves, connections, services, meters, and all other equipment and personal property used and useful in providing water service to the customers of the District, together with all real property, interests in land, leases, easements, rights-of-way, permits, certificates of convenience and necessity, deposit accounts, savings accounts, investments, security deposits, accounts receivable, renewal and replacement accounts, customer contributions in aid of construction, bond sinking funds, bond reserve accounts, service territory and all other tangible and intangible assets owned or held by the District and used or useful in providing water service to the District’s customers (collectively, the “Waterworks System”);

WHEREAS, the District currently has outstanding the following indebtedness secured by the Waterworks System: (i) Water Revenue Bond, Series 2001 (West Virginia DWTRF Program), dated October 25, 2001, issued in the original aggregate principal amount of $1,068,500, and (ii) Water Revenue Bond, Series 2016 A (West Virginia DWTRF Program), dated August 11, 2016, issued in the original aggregate principal amount of $2,546,000 (collectively, the “Bonds”);

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

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

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

WHEREAS, the City, acting by and through the Board, currently operates and maintains a water treatment and distribution system that serves approximately 26,201 customers in Monongalia County, West Virginia pursuant to certificates of convenience and necessity issued by the PSC;

WHEREAS, the City is willing to acquire from the District the assets of the Waterworks System in order to provide service to the customers of the Waterworks System (the “Acquisition”), all on the terms, conditions, and limitations set forth in the form of an agreement attached hereto as Exhibit A and incorporated herein by reference (the “Acquisition Agreement”); and

WHEREAS, before the Acquisition can be consummated, the District and the City, acting by and through the Board, must comply with the requirements of the Code.

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF RIVER ROAD PUBLIC SERVICE DISTRICT:

1. Pursuant to the Class I legal advertisement published in the Dominion Post on March 5, 2019 said publication being not more than twenty (20) days and not less than seven (7) days prior to March 13, 2019, the Public Service Board of the District held a public hearing on the proposed Acquisition. At the public hearing, the Public Service Board of the District heard all comments from the public regarding the Acquisition.

2. Each member of the Public Service Board of the District voting for this Resolution deems it to be in the best interests of the District, and the customers of the Waterworks System, to convey the assets of the Waterworks System to the City. Therefore, the Public Service Board of the District does hereby approve the Acquisition and the form of the Acquisition Agreement, subject to the approvals required by the Code, the written consent of the holders of the Bonds, and such other certificates, opinions or approvals the District deems necessary and appropriate.

3. The Acquisition is hereby approved contingent upon the approval of the County Commission, City, PSC, and the holders of the Bonds.

4. The District shall promptly request, or join with the City in requesting, the written consent of the holders of the Bonds to the City’s payment, defeasance or assumption of the current outstanding balances associated with the Bonds.
5. The Chairman and Secretary are hereby authorized to approve the final forms of, and execute, all documents necessary and appropriate to facilitate the Acquisition, specifically including, but not limited to, an Acquisition Agreement, subject to the requirements set forth in this Resolution.

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

7. This Resolution shall be effective immediately following adoption.

[Remainder of Page Intentionally Blank]
Adopted this 13th day of March 2019.

RIVER ROAD PUBLIC SERVICE DISTRICT

By: _____________________________
   Its: Chairman
CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of RIVER ROAD PUBLIC SERVICE DISTRICT on the 13th day of March 2019.


[SEAL]

Secretary
EXHIBIT A

Form of Acquisition Agreement
BOND ORDINANCE

THE CITY OF MORGANTOWN

ASSUMPTION OF THE
RIVER ROAD PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2001
(WEST VIRGINIA DWTRF PROGRAM); AND
WATER REVENUE BONDS, SERIES 2016 A
(WEST VIRGINIA DWTRF PROGRAM)

AND

RE-DESIGNATED AND REPLACED AS

THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 A
(WEST VIRGINIA DWTRF PROGRAM); AND
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 B
(WEST VIRGINIA DWTRF PROGRAM)

ORDINANCE AUTHORIZING THE ACQUISITION OF THE PUBLIC WATERWORKS SYSTEM OF RIVER ROAD PUBLIC SERVICE DISTRICT; AUTHORIZING THE ASSUMPTION AND RE-DESIGNATION OF THE RIVER ROAD PUBLIC SERVICE DISTRICT'S WATER REVENUE BONDS, SERIES 2001 (WEST VIRGINIA DWTRF PROGRAM); AND WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA DWTRF PROGRAM) IN CONNECTION WITH THE ACQUISITION OF THE WATER SYSTEM AND THE RE-DESIGNATION BY THE CITY OF MORGANTOWN OF THE RIVER ROAD PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 2001 (WEST VIRGINIA DWTRF PROGRAM); AND WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA DWTRF PROGRAM) AS THE CITY OF MORGANTOWN COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 A (WEST VIRGINIA DWTRF PROGRAM); AND COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 B (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ASSUMPTION AND RE-DESIGNATION OF SUCH BONDS; ASSUMING, APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS; RELATING TO SUCH BONDS; AUTHORIZING THE ASSUMPTION AND RE-DESIGNATION AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.
BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF MORGANTOWN:

ARTICLE 1
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

Section 1.02. Findings. It is hereby found, determined and declared that:

A. The City of Morgantown (the “Issuer”) is a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State.

B. The Issuer presently owns and operates, through the Morgantown Utility Board (the “Board”), a public combined waterworks, sewerage and stormwater system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired from the River Road Public Service District (the “District”) the existing public waterworks system of the District (collectively, the “District Assets”) from the District, which District Assets constitute the public waterworks system (the existing combined waterworks, sewerage and stormwater system of the Issuer, the District Assets and any further additions, betterments and improvements thereto are herein called the "System"), pursuant to an Acquisition Agreement by and among the Issuer, the Board and the District, which Acquisition Agreement shall be approved by Supplemental Resolution (the “Acquisition Agreement”).

C. The District has heretofore financed the acquisition and construction of a public waterworks facilities to provide water service to approximately 781 customers in Monongalia County, by the issuance of its (i) Water Revenue Bonds, Series 2001 (West Virginia DWTRF Program), dated October 25, 2001, issued in the original aggregate principal amount of $1,068,500 (the “District Series 2001 Bonds”); and (ii) Water Revenue Bonds, Series 2016 A (West Virginia DWTRF Program), dated August 11, 2016, issued in the original aggregate principal amount of $2,546,000 (the “District 2016 A Bonds”), (collectively, the “District Bonds”).

D. The District Bonds were issued pursuant to Resolutions of the District previously enacted for such purpose (such resolutions, as amended and supplemented, are herein called the “District Resolutions”).

E. It is deemed necessary and desirable for the Issuer to provide for the acquisition of the District Assets and the assumption and re-designation of the District Bonds.

F. The District permanently financed the acquisition of the District Assets through the issuance of the District Bonds to the West Virginia Water Development Authority (the “Authority”).

H. The period of usefulness of the System is not less than 30 years.

I. It is in the best interests of the Issuer that the Series 2019 A Bonds and Series 2019 B Bonds continue to be held by the Authority pursuant to the terms and provisions of the District 2001 Loan Agreement and the District 2016 A Loan Agreement (herein defined) by and between the District and the Authority on behalf of the West Virginia Bureau for Public Health (the “BPH”) forms satisfactory to the respective parties (collectively, the “Loan Agreements”), which Loan Agreements shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

J. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2019 Bonds as to liens, pledge, source of and security for payment, being the Issuer’s:

(1) Combined Utility System Revenue Bond, Series 2000 A (West Virginia SRF Program), 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 Bond, Series 2000 B (West Virginia Infrastructure Fund), 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), 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 Bond, Series 2007 A (West Virginia SRF Program), 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 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”);

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


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

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

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


(13) 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”);

(14) 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”);

(15) 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”);

original aggregate principal amount of $662,300 (the “Series 2015 E Bonds”);

(17) 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”);

(18) 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”);

(19) Combined Utility 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”);

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

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

(22) Combined Utility System Revenue Bonds, Series 2018 A-2 (West Virginia Infrastructure Fund), of the Issuer, dated July 10, 2018, issued in the original aggregate principal amount of $140,715 (the “Series 2018 A-2 Bonds” and collectively with the Bonds listed above, the “Prior Bonds”).

K. Prior to the assumption and re-designation of the District Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent, if required, of the Holders of the Prior Bonds to the assumption and re-designation of the District Bonds on a parity with the Prior Bonds. The Series 2010 A Bonds, Series 2014 B Bonds, Series 2016 A Bonds, Series 2017 A Bonds and Series 2018 B Bonds do not require written consent. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

L. The estimated revenues to be derived in each year after completion of the acquisition of the District Assets and assumption and re-designation of the District Bonds from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Series 2019 Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein.

M. The Issuer has complied with all requirements of West Virginia law and the Loan Agreements relating to authorization of the acquisition of the District Assets and the
assumption and re-designation of the District Bonds, or will have so complied prior to the assumption and re-designation of the District Bonds or any thereof, including, among other things, the approval of the acquisition of the District Assets and the assumption and re-designation of the District Bonds by the Public Service Commission of West Virginia.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2019 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2019 Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

“Act” means, collectively, Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

“Administrative Fee” or “administrative Fees” means the Administrative Fees required to be paid pursuant to the Loan Agreements.

“Authority” means the West Virginia Water Development Authority, which is the original purchaser and Registered Owner of the Series 2019 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization under the Act.

“Authorized Officer” means the Mayor or the City Manager of the Issuer, and, in the instance of the Board, the Chairman, the General Manager or the Assistant General Manager, or any other officer of the Issuer or Board specifically designated by resolution of the Governing Body or the Board, as appropriate.

“Board” means the Morgantown Utility Board.

“Bondholder,” “Holder of the Bonds,” “Holder,” “Registered Owner” or any similar term whenever used herein with respect to an outstanding Bond or Bonds, means the person in whose name such Bond is registered.

“Bond Legislation,” “Ordinance,” “Bond Ordinance” or “Local Act” means this Bond Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

“Bond Registrar” means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

“Bonds” means, collectively, the Series 2019 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.
“Bond Year” means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

“BPH” means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

“City Clerk” means the City Clerk of the Issuer.

“City Manager” means the City Manager of the Issuer.

“Closing Date” means the date upon which the District Assets are transferred to the Issuer and the Series 2019 Bonds are assumed and re-designated by the Issuer.


“Commission” means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

“Consulting Engineers” means any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions. “Consulting Engineer” shall also include a licensed professional engineer employed by the Board, who is responsible for design and/or supervision of improvements, additions or modifications to the System.

“Depository Bank” means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

“Depreciation Fund” means the Depreciation Fund created by the Prior Ordinances and continued hereby.

"District" means the River Road Public Service District.

“District Assets” means all assets of the District, including all property, real or personal, tangible or intangible, which is part of the public waterworks system of the District.

"District Bonds" means the River Road Public Service District's: (i) Water Revenue Bonds, Series 2001 (West Virginia DWTRF Program), dated October 25, 2001, issued in the original aggregate principal amount of $1,068,500; and (ii) Water Revenue Bonds, Series 2016 A (West Virginia DWTRF Program), dated August 11, 2016, issued in the original aggregate principal amount of $2,546,000.

“District Resolutions” means the resolutions of the District authorizing the District Bonds.
"District Series 2001 Bonds" means the River Road Public Service District Water Revenue Bonds, Series 2001 (West Virginia DWTRF Program), dated October 25, 2001, issued in the original aggregate principal amount of $1,068,500.

"District Series 2001 Loan Agreement" means the Loan Agreement by and between the District and the Authority dated October 25, 2001 providing for the purchase of the District Series 2001 Bonds from the District by the Authority, which shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and the assumption of and re-designation of the District Bonds by the Issuer, the content of which is hereby approved (with any amendments or modifications required by the Authority as a result of the assumption of and re-designation of the District Bonds), and the assumption by the Issuer authorized and directed.

"District Series 2016 A Bonds" means River Road Public Service District Water Revenue Bonds, Series 2016 A (West Virginia DWTRF Program), dated August 11, 2016, issued in the original aggregate principal amount of $2,546,000.

"District Series 2016 A Loan Agreement" means the Loan Agreement by and between the District and the Authority dated August 11, 2016 providing for the purchase of the District Series 2016 A Bonds from the District by the Authority, which shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and the assumption of and re-designation of the District Bonds by the Issuer, the content of which is hereby approved (with any amendments or modifications required by the Authority as a result of the assumption of and re-designation of the District Bonds), and the assumption by the Issuer authorized and directed.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the council of the Issuer, as it may now or hereafter be constituted.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the 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, as hereinafter defined) or any Tap Fees (as hereinafter defined).

"Herein," "hereto" and similar words shall refer to this entire Bond Legislation.

"Independent Certified Public Accountant" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to
prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

“Issuer” means The City of Morgantown, a municipal corporation and political subdivision of the State of West Virginia, in Monongalia County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Loan Agreements” means collectively, the District 2001 Loan Agreement and the District 2016 A Loan Agreement.

“Mayor” means the Mayor of the Issuer.

“Net Proceeds” means the face amount of the Series 2019 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts.

“Net Revenues” means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

“Operating Expenses” means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs), fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

“Operation and Maintenance Fund” means the Operation and Maintenance Fund established by the Prior Ordinances and continued hereby.

“Outstanding” when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or Prior Bond cancelled by the Bond Registrar or Registrar for Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bonds, for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

“Parity Bonds” means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.
“Paying Agent” means the Commission or other entity designated as such for the Series 2019 Bonds in the Supplemental Resolution.


“Prior Ordinances” means, collectively, the ordinances authorizing the Prior Bonds.

“Qualified Investments” means and includes any investment permitted to be made by a municipality, public service district or public corporation of the State pursuant to State Law, specifically including but not limited to Chapter 8, Article 13, Section 22 of the Code of West Virginia and the West Virginia “consolidated fund” managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia.

“Registered Owner,” “Bondholder,” “Holder” or any similar term means whenever used herein with respect to an outstanding Bond or Bonds, the person in whose name such Bond is registered.

“Registrar” means the Bond Registrar.

“Regulations” means temporary and permanent regulations promulgated under the Code, or any predecessor thereto.

“Reserve Accounts” means, collectively, the respective Reserve Accounts established for the Series 2019 Bonds and the Prior Bonds.

“Reserve Requirement” means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2019 Bonds.

“Revenue Fund” means the Revenue Fund created by the Prior Ordinances and continued hereby.


"Series 2012 A Bonds" means the Issuer's Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 24, 2012, issued in the original aggregate principal amount of $570,000.


“Series 2016 B-1 Bonds” means the Combined Utility System Revenue Bonds, Series 2016 B-1 (West Virginia SRF Program), of the Issuer, dated December 14, 2016, issued in the aggregate principal amount of $25,000,000.

“Series 2017 A Bonds” means the Issuer’s Combined Utility Revenue Bonds, Series 2017 A (Bank Qualified), dated December 21, 2017, issued in the original aggregate principal amount of $2,695,000.


“Series 2019 A Bonds Reserve Account” means the District Series 2001 Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2019 A Bonds Reserve Account pursuant to Section 5.02 hereof.

“Series 2019 A Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2019 A Bonds in the then current or any succeeding year.

“Series 2019 A Bonds Sinking Fund” means the District Series 2001 Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2019 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Series 2019 B Bonds Reserve Account” means the District Series 2016 A Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2019 B Bonds Reserve Account pursuant to Section 5.02 hereof.

“Series 2019 B Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2019 B Bonds in the then current or any succeeding year.

“Series 2019 B Bonds Sinking Fund” means the District Series 2016 A Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2019 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Sinking Funds” means, collectively, the respective Sinking Funds established for the Series 2019 Bonds and the Prior Bonds.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2019 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2019 Bonds, and not so included may be included in another Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2019 Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

“System” means, collectively, the complete existing public combined waterworks, sewerage, and stormwater system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the District Assets and any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

“Tap Fees” means the fees, if any, paid by prospective customers of the System in order to connect thereto.

“West Virginia DWTRF Program” means the West Virginia Drinking Water Treatment Revolving Fund Program established by the State, administered by BPH and funded by capitalized grants awarded to the State pursuant to the Federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.
Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II
AUTHORIZATION OF ACQUISITION OF THE DISTRICT ASSETS AND THE ASSUMPTION AND RE-DESIGNATION OF THE DISTRICT BONDS

Section 2.01. Authorization of Acquisition of the District Assets. There is hereby authorized and ordered the acquisition of the District Assets pursuant to the terms of an Acquisition Agreement by and between the Issuer and the District.

Section 2.02. Authorization of Assumption and Re-designation of the District Bonds. There is hereby authorized and ordered the assumption by the Issuer in full of the entire Outstanding principal of and the interest on the District Bonds on the Closing Date.


ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ASSUMPTION OF DISTRICT BONDS; ASSUMPTION OF LOAN AGREEMENTS

Section 3.01. Authorization of Assumption of District Bonds. For the purposes of serving as consideration for the acquisition of the District Assets, the Issuer hereby authorizes the assumption of the indebtedness evidenced by the District Bonds, and the substitution of a new bond of the Issuer for each the District Bonds.

The District Bonds shall be assumed as two series of bonds and re-designated as (i) “The City of Morgantown Combined Utility System Revenue Bonds, Series 2019 A (West Virginia DWTRF Program)”; and (ii) “The City of Morgantown Combined Utility System Revenue Bonds, Series 2019 B (West Virginia DWTRF Program)” and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2019 Bonds shall be assumed in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as exists on the Closing Date and as the Issuer shall prescribe in a Supplemental Resolution. The Series 2019 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2019 Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the
books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as
the Authority is the Registered Owner thereof.

As provided by the Supplemental Resolution, the Series 2019 Bonds shall initially
be two series, fully registered to the Authority, with a record of advances and a debt service
schedule attached, representing the aggregate principal amount of the Series 2019 Bonds. The
Series 2019 Bonds shall be exchangeable at the option and expense of the Registered Owner for
another fully registered Bond or Bonds of the same series in aggregate principal amount equal to
the amount of said Bonds then Outstanding and being exchanged, with principal installments or
maturities, as applicable, corresponding to the dates of payment of principal installments of said
Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Section 3.03. Execution of Bonds. The Series 2019 Bonds shall be executed in the
name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted
thereon and attested by the City Clerk. In case any one or more of the officers who shall have
signed or sealed the Series 2019 Bonds shall cease to be such officer of the Issuer before the
Series 2019 Bonds so signed and sealed have been actually assumed, re-designated and
delivered, such Bonds may nevertheless be assumed, re-designated and delivered as herein
provided and may be issued as if the person who signed or sealed such Bonds had not ceased to
hold such office. Any Series 2019 Bonds may be signed and sealed on behalf of the Issuer by
such person as at the actual time of the execution of such Bonds shall hold the proper office in
the Issuer, although at the date of such Bonds such person may not have held such office or may
not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2019 Bonds shall be
valid or obligatory for any purpose or entitled to any security or benefit under this Bond
Legislation unless and until the Certificate of Authentication and Registration on such Bond,
substantially in the form set forth in Section 3.10 hereof shall have been manually executed by
the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any
such Bond shall be conclusive evidence that such Bond has been authenticated, registered and
delivered under this Bond Legislation. The Certificate of Authentication and Registration on any
Series 2019 Bonds shall be deemed to have been executed by the Bond Registrar if manually
signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same
officer sign the Certificate of Authentication and Registration on all of the Bonds issued
hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for
transfer of registration set forth below, the Series 2019 Bonds shall be and have all of the
qualities and incidents of negotiable instruments under the Uniform Commercial Code of the
State of West Virginia, and each successive Holder, in accepting the Series 2019 Bonds shall be
conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and
incidents of negotiable instruments under the Uniform Commercial Code of the State of
West Virginia, and each successive Holder shall further be conclusively deemed to have agreed
that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2019 Bonds remain outstanding, the Issuer, through the Bond
Registrar or its agent, shall keep and maintain books for the registration and transfer of such
Bonds.
The registered Series 2019 Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the Series 2019 Bonds or transferring the registered Series 2019 Bonds are exercised, all Series 2019 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2019 Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2019 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2019 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2019 Bonds or, in the case of any proposed redemption of Series 2019 Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2019 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder’s furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2019 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the System as herein provided. No Holder or Holders of the Series 2019 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2019 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2019 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2019 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation and Prior Ordinances are hereby irrevocably pledged to such payments as they become due.
Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver as substitute for the District Bonds, the Series 2019 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2019 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2019 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2019 Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. Executed copies of the Loan Agreements; and


Section 3.10. Form of Bonds. The text of the Series 2019 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the assumption and re-designation thereof:

[Remainder of Page Intentionally Blank]
(FORM OF SERIES 2019 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 A
(WEST VIRGINIA DWTRF PROGRAM)

Replacement Bond
for
River Road Public Service District
Water Revenue Bonds, Series 2001
(West Virginia DWTRF Program)

No. AR-1

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of ____________, 2019, THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State (the “Issuer”), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the “Authority”) or registered assigns the sum of ___________________ DOLLARS ($______) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing ________________, 1, 20__, to and including June 1, 2022 as set forth on the “Debt Service Schedule” attached as EXHIBIT B hereto and incorporated herein by reference with interest of 2.0% per annum payable quarterly on March 1, June 1, September 1 and December 1 of each year commencing ____________, 1, 20____, to and including June 1, 2022, as set forth on the “Debt Service Schedule” attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee of 1.0% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing ________________, 1, 20__, as set forth on EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the “Paying Agent”). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of United Bank, Charleston, West Virginia, as registrar (the “Registrar”), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions
prescribed by, and otherwise in compliance with, the District 2001 Loan Agreement by and between the River Road Public Service District (the "District") and the Authority, dated October 25, 2001, and assumed by the Issuer on _____, 2019.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District’s public waterworks system (the “District Assets”) from the District. The existing public combined waterworks, sewerage, and stormwater system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the “System.” The Issuer has re-designated the District Bonds as “The City of Morgantown Combined Utility System Revenue Bonds, Series 2019 A (West Virginia DWTRF Program)”. This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the “Act”), a Bond Ordinance duly enacted by the Issuer on __________, 2019, and a Supplemental Resolution duly adopted by the Issuer on _____, 2019 (collectively, the “Bond Legislation”), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER’S:

(1) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), 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 BOND, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), 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), 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 BOND, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), 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 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”);
(6) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $15,380,227 (THE "SERIES 2010 C BONDS");

(7) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $9,317,286 (THE "SERIES 2010 D BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE "SERIES 2010 E BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE "SERIES 2013 A BONDS");


(12) 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");

(13) 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");

(14) 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");

(15) 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");
(16) 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");

(17) 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");

(18) 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");

(19) COMBINED UTILITY 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");

(20) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE "SERIES 2018 A BONDS");

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B (TAX-EXEMPT), OF THE ISSUER, DATED JUNE 28, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $44,260,000 (THE "SERIES 2018 B BONDS"); AND

(22) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A-2 (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED JULY 10, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $140,715 (THE "SERIES 2018 A-2 BONDS" AND COLLECTIVELY WITH THE BONDS LISTED ABOVE, THE "PRIOR BONDS"); AND

(23) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 B (WEST VIRGINIA DWTRF PROGRAM), DATED ____, 2019, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $__________ (THE "SERIES 2019 B BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2019 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2019 A Bonds Reserve Account"). Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2019 A Bonds Reserve Account and unexpended proceeds of the Bonds, if any. Pursuant to the Bond
Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2019 B Bonds, and the Prior Bonds; provided however, that so long as there exists in the Series 2019 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2019 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.
IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated the day and year first written above.

[SEAL]

By: _______________________________________
Mayor

ATTEST:

By: _______________________________________
City Clerk
CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2019 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: ________________, 2019.

UNITED BANK,
as Registrar

By: ______________________________________
  Its: Authorized Officer
EXHIBIT A

DEBT SERVICE SCHEDULE
(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint __________________________, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____________, 20___.

In the presence of:


26
(FORM OF SERIES 2019 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 B
(WEST VIRGINIA DWTRF PROGRAM)

Replacement Bond for
River Road Public Service District
Water Revenue Bonds, Series 2016 A
(West Virginia DWTRF Program)

No. BR-1

$__________

KNOW ALL MEN BY THESE PRESENTS: That on the _____ day of __________, 2019, THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State (the “Issuer”), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the “Authority”) or registered assigns the sum of ______________ DOLLARS ($______) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the “Record of Advances” attached as EXHIBIT A hereto and incorporated herein by reference, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year commencing ____________ 1, 20__, to and including December 1, 2047 as set forth on the “Debt Service Schedule” attached as EXHIBIT B hereto and incorporated herein by reference with interest of 0.50% per annum payable quarterly on March 1, June 1, September 1 and December 1 of each year commencing ____________ 1, 20__, to and including December 1, 2047, as set forth on the “Debt Service Schedule” attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee of 0.50% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing ____________ 1, 20__, as set forth on EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of United Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.
This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the District 2016 A Loan Agreement by and between the River Road Public Service District (the "District") and the Authority, dated August 11, 2016 and assumed by the Issuer on ______, 2019.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District’s public waterworks system (the “District Assets”) from the District. The existing public combined waterworks, sewerage, and stormwater system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the “System.” The Issuer has re-designated the District Bonds as “The City of Morgantown Combined Utility System Revenue Bonds, Series 2019 B (West Virginia DWTRF Program).” This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the “Act”), a Bond Ordinance duly enacted by the Issuer on ________, 2019 and a Supplemental Resolution duly adopted by the Issuer on ________, 2019 (collectively, the “Bond Legislation”), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER’S:

(1) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), 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 BOND, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), 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), 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 BOND, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), 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 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”);


(8) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $100,000 (THE “SERIES 2010 E BONDS”);

(9) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000 (THE "SERIES 2012 A BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,605,260 (THE “SERIES 2013 A BONDS”);


(14) 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”);

(15) 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”);


(7) 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”);

(8) 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”);

(9) COMBINED UTILITY 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”);

(10) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED JANUARY 31, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $394,074 (THE “SERIES 2018 A BONDS”);

(21) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2018 B (TAX-EXEMPT), OF THE ISSUER, DATED JUNE 28, 2018, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $44,260,000 (THE “SERIES 2018 B BONDS”); AND


(23) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 A (WEST VIRGINIA DWTRF PROGRAM), DATED ____________, 2019, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $_________ (THE "SERIES 2019 A BONDS");

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2019 A Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the “Series 2019 B Bonds Reserve Account”). Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not
constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2019 B Bonds Reserve Account and unexpended proceeds of the Bonds, if any. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2019 A Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2019 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2019 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the assumption and re-designation of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.
IN WITNESS WHEREOF, THE CITY OF MORGANTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated the day and year first written above.

[SEAL]

By: ____________________________
Mayor

ATTEST:

By: ____________________________
City Clerk
CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2019 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: ______________, 2019.

UNITED BANK,
as Registrar

By: _______________________

Its: Authorized Officer
EXHIBIT A

DEBT SERVICE SCHEDULE
(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint

, Attorney to transfer the said Bond on

the books kept for registration of the within Bond of the said Issuer with full power of

substitution in the premises.

Dated: ____________, 20__.

In the presence of:

_________________________
Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreements. The District Bonds were sold to the Authority, pursuant to the terms and conditions of the Loan Agreements. The Loan Agreements including all schedules and exhibits attached thereto, and as assumed by the Issuer are hereby approved and incorporated into this Bond Legislation.

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES
AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

(1) Revenue Fund (established by the Prior Ordinances);

(2) Depreciation Fund (established by the Prior Ordinances); and

(3) Operation and Maintenance Fund (established by the Prior Ordinances).

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other:

(1) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

(2) Series 2000 A Bonds Reserve Account (established by Prior Ordinances);

(3) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);

(4) Series 2000 B Bonds Reserve Account (established by Prior Ordinances);

(5) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);

(5) Series 2006 A Bonds Reserve Account (established by Prior Ordinances);
(7) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);

(8) Series 2007 A Bonds Reserve Account (established by Prior Ordinances);

(9) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);

(10) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);

(11) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);

(12) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);

(13) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);

(14) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);

(15) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);

(16) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);

(17) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);

(18) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);

(19) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);

(20) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);

(21) Series 2014 B Bonds Sinking Fund (established by Prior Ordinances);

(22) Series 2014 B Bonds Reserve Account (established by Prior Ordinances);
(23) Series 2015 A Bonds Sinking Fund (established by Prior Ordinances);

(24) Series 2015 A Bonds Reserve Account (established by Prior Ordinances);

(25) Series 2015 B Bonds Sinking Fund (established by Prior Ordinances);

(26) Series 2015 B Bonds Reserve Account (established by Prior Ordinances);

(27) Series 2015 C Bonds Sinking Fund (established by Prior Ordinances);

(28) Series 2015 C Bonds Reserve Account (established by Prior Ordinances);

(29) Series 2015 D Bonds Sinking Fund (established by Prior Ordinances);

(30) Series 2015 D Bonds Reserve Account (established by Prior Ordinances);

(31) Series 2015 E Bonds Sinking Fund (established by Prior Ordinances);

(32) Series 2015 E Bonds Reserve Account (established by Prior Ordinances);

(33) Series 2016 A Bonds Sinking Fund (established by Prior Ordinances);

(34) Series 2016 A Bonds Reserve Account (established by Prior Ordinances);

(35) Series 2016 B-1 Bonds Sinking Fund (established by Prior Ordinances);

(36) Series 2016 B-1 Bonds Reserve Account (established by Prior Ordinances);

(37) Series 2017 A Bonds Sinking Fund (established by Prior Ordinances);

(38) Series 2017 A Bonds Reserve Account (established by Prior Ordinances);
(39) Series 2018 A Bonds Sinking Fund (established by Prior Ordinances);

(40) Series 2018 A Bonds Reserve Account (established by Prior Ordinances);

(41) Series 2018 A-2 Bonds Sinking Fund (established by Prior Ordinances);

(42) Series 2018 A-2 Bonds Reserve Account (established by Prior Ordinances);

(43) Series 2018 B Bonds Sinking Fund (established by Prior Ordinances);

(44) Series 2018 B Bonds Reserve Account (established by Prior Ordinances);

(45) Series 2019 A Bonds Sinking Fund;

(46) Series 2019 A Bonds Reserve Account;

(47) Series 2019 B Bonds Sinking Fund; and


Section 5.03. System Revenues: Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinances and this Bond Legislation. All moneys at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required by the respective Prior Ordinances to pay interest on the Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds, Series 2014 B Bonds, Series 2015 A Bonds, Series 2016 A Bonds, Series 2016 B-1 Bonds, Series 2017 A Bond, Series 2018 A Bonds, Series 2018 A-2 Bonds and Series 2018 B Bonds; and (ii) for deposit in the Series 2019 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2019 A Bonds on the next ensuing quarterly interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2019 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then
such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Sinking Funds for the Prior Bonds, the amounts required by the respective Prior Ordinances to pay the principal of the Prior Bonds; (ii) for deposit in the Series 2019 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2019 A Bonds on the next ensuing quarterly principal payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2019 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (iii) for deposit in the Series 2019 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2019 B Bonds on the next ensuing quarterly principal payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2019 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Reserve Accounts for the Prior Bonds, the amounts required by the respective Prior Ordinances to be deposited therein; (ii) for deposit in the Series 2019 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2019 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2019 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2019 A Bonds Reserve Requirement; and (iii) for deposit in the Series 2019 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2019 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2019 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2019 B Bonds Reserve Requirement.

(4) The Issuer shall next, each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Fund, an amount sufficient to pay the current Operating Expenses of the System.
(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month transfer to the Depreciation Fund, an amount equal to 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. All funds in the Depreciation Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Depreciation Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Reserve Accounts (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Depreciation Fund.

(6) After making all of the foregoing deposits and payments, any excess moneys then remaining in the Revenue Fund (“Surplus Revenues”) may be used for any lawful purpose of the System.

Moneys in the Series 2019 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2019 A Bonds, as the same shall become due. Moneys in the Series 2019 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2019 A Bonds, as the same shall come due, when other moneys in the Series 2019 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2019 B Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2019 B Bonds, as the same shall become due. Moneys in the Series 2019 B Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2019 B Bonds, as the same shall come due, when other moneys in the Series 2019 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2019 A Bonds Sinking Fund and the Series 2019 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2019 A Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2019 B Bonds Sinking Fund and the Series 2019 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2019 B Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2019 A Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2019 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.
Any withdrawals from the Series 2019 B Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2019 B Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2019 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2019 A Bonds Sinking Fund or the Series 2019 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2019 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2019 B Bonds Sinking Fund or the Series 2019 B Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2019 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2019 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2019 A Bonds Sinking Fund, Series 2019 A Bonds Reserve Account, Series 2019 B Bonds Sinking Fund, and Series 2019 B Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.


The Series 2019 A Bonds Sinking Fund and the Series 2019 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2019 A Bonds under the conditions and restrictions set forth herein.

The Series 2019 B Bonds Sinking Fund and the Series 2019 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2019 B Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the required interest, principal and reserve payments with respect to the Series 2019 Bonds and all such payments shall
be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the Administrative Fees pursuant to the Loan Agreements.

C. Whenever all of the required and provided 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 System.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. The Issuer shall make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

E. The moneys in excess of the maximum amounts insured by FDIC in any of the funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

G. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

H. The Gross Revenues of the System shall only be used for purposes of the System.

I. All Tap Fees, as received, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

**ARTICLE VI**

[RESERVED]

**ARTICLE VII**

43
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2019 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2019 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2019 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2019 Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2019 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2019 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2019 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest on the Series 2019 Bonds and the Prior Bonds and to make all other payments provided for in this Bond Legislation and the Prior Ordinances are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreements and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted June 19, 2018, the sewer rate ordinance of the Issuer enacted February 2, 2016 and the stormwater rate ordinance of the Issuer enacted December 6, 2011, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2019 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreements. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2019 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreements, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreements.
Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, so long as the Series 2019 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2019 Bonds, immediately be remitted to the Commission and, with the written permission of the BPH and the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2019 Bonds. Any balance remaining after the payment of the Series 2019 Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $50,000, the Board shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be deposited in the Depreciation Fund. The payment of such proceeds into the Depreciation Fund shall not reduce the amount required to be paid into such account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Series 2019 Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the holders of the Series 2019 Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System. Moneys received upon any such sale under this paragraph, after deduction of all costs of such sale, shall be deposited in the Revenue Fund.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment
from such revenues with the Series 2019 Bonds and the Prior Bonds. All obligations issued by
the Issuer after the assumption and re-designation of the Series 2019 Bonds and payable from the
revenues of the System, except such additional parity Bonds, shall contain an express statement
that such obligations are junior and subordinate, as to lien on and source of and security for
payment from such revenues and in all other respects, to the Series 2019 Bonds; provided, that
no such subordinate obligations shall be issued unless all payments required to be made into all
funds and accounts established by this Bond Legislation have been made and are current at the
time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be
created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over
or being on a parity with the lien of the Series 2019 Bonds, and the interest thereon, upon any of
the income and revenues of the System pledged for payment of the Series 2019 Bonds and the
interest thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the BPH prior written notice of its issuance
of any other obligations to be used for the System, payable from the revenues of the System or
from any grants for the System, or any other obligations related to the System.

Section 7.07. 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 Parity Bonds, payable out of the revenues of the System, shall be
issued after the assumption and re-designation of the Series 2019 Bonds pursuant to this Bond
Legislation, without the prior written consent of the Authority and without complying with the
conditions and requirements herein provided (unless less restrictive than the provisions of the
Prior Ordinances).

All Parity Bonds issued hereunder shall be on a parity in all respects with the
Series 2019 Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs
of design, acquisition or construction of extensions, additions, improvements or betterments to
the System or refunding any outstanding Bonds, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has
been procured and filed with the City Clerk a written statement by the Independent Certified
Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the
adjustments hereinafter provided for, from the System during any 12 consecutive months, within
the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus
the estimated average increased annual Net Revenues expected to be received in each of the 3
succeeding years after the completion of the improvements to be financed by such Parity Bonds,
if any, shall not be less than 115% of the largest aggregate amount that will mature and become
due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained
in this Bond Legislation then Outstanding; and
The “estimated average increased annual Net Revenues expected 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 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 Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinafore referred to 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 Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Parity Bonds. For purposes of this test, the terms “Gross Revenues” and “Net Revenues” shall not include proceeds from the sale of capital assets.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All 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 the Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2019 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2019 Bonds.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation and the Prior Ordinances, shall have been made in full as required to the date of delivery of the Parity Bonds, and the Issuer then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Ordinances.

Section 7.08. Books; Records and Audit. The Board shall permit the Authority and the BPH, or their agents and representatives, to inspect all books, documents, papers and records relating to the System at all reasonable times for the purpose of audit and examination. The Board shall submit to the Authority and the BPH such documents and information as they may reasonably require in connection with the operation and maintenance of the System.
The Board shall permit the Authority and the BPH, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times.

The Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Board. The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Issuer as the Board shall direct.

The Board shall file with the Authority and the BPH, or any other original purchaser of the Series 2019 Bonds, and shall mail in each year to any Holder or Holders of the Series 2019 Bonds, requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Board shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountant (and to the extent legally required, in compliance with 2 CFR200 Subpart F, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountant, or a summary thereof, to any Holder or Holders of the Series 2019 Bonds and shall submit said report to the Authority and the BPH, or any other original purchaser of the Series 2019 Bonds. Such audit report submitted to the Authority and the BPH shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if there are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreements and the Act, the Issuer has acquired, or shall do all things necessary to acquire the District Assets and
shall do, is doing or has done all things necessary to acquire the District Assets. All real estate and interests in real estate and all personal property constituting the District Assets heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Board shall provide the Authority and the BPH, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the BPH with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the assumption and re-designation of the Series 2019 Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted 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 hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2019 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2019 Bonds, including the Prior Bonds; provided, that in the event that amounts equal to or in excess of the reserve requirements are on deposit in the respective Series 2019 Bonds Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2019 Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2019 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2019 Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinances described in Section 7.04.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.10. Operating Budget and Monthly Financial Report. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. The Board shall within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the BPH and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such
budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the BPH and any Holder of any Bonds or anyone acting for and on behalf of such Holder of any Bonds.

Section 7.11. Operating Personnel. The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreements.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Board will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which 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 of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the 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 of the sewerage portion of the System and any services and facilities of the waterworks portion of the System, to all users of the services of the sewerage system delinquent in payment of charges for the services of the sewerage system and will not restore such services of either the waterworks system or the sewerage system until all delinquent charges for the services of the sewerage system, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the waterworks facilities are not owned by the Issuer, the Issuer shall use diligent efforts to enter into a termination agreement with the provider of such water services, subject to any required approval of such agreements by the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Board will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer or the Board, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, the Board and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.
Section 7.15. Insurance  

A. The Board hereby covenants and agrees that so long as the Series 2019 Bonds remain Outstanding, the Board will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Board will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Fund.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Board from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS’ COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

(4) FIDELITY BONDS will be provided as to every officer and employee of the Board or the Issuer having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

(5) FLOOD INSURANCE, if the System facilities are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(6) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.
Section 7.16. Mandatory Use. The mandatory use of the sewer facilities of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer. Accordingly, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, every owner, tenant or occupant of any real property located near the sewer portion of the System, and where sewer from real property affects or drains into the sewer portion of the System, shall be deemed to be a user served by the sewer portion of the System and it is declared that the mandatory use of the sewer portion of the System by such real property owner is necessary and essential for the health and welfare of the inhabitants and residents of the Issuer and the State. To the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, every such owner, tenant or occupant shall, after a 30-day notice of the availability of the sewer portion of the System, pay the rates and charges established therefor.

Section 7.17. Operation and Maintenance; Permits and Orders. The Board shall operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Board has obtained all permits required by state and federal laws for the acquisition of the District Assets and assumption and re-designation of the District Bonds and all approvals for acquisition of the District Assets and assumption and re-designation of the District Bonds required by state law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreements and Law. The Issuer and the Board shall perform, satisfy and comply with all the terms and conditions of the Loan Agreements and the Act. Notwithstanding anything herein to the contrary, the Issuer and the Board shall provide the BPH with copies of all documents submitted to the Authority.

The Issuer and the Board shall also comply with all applicable laws, rules and regulations issued by the Authority and the BPH or other state, federal or local bodies in regard to the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by the guidelines established by the Authority and the Public Service Commission of West Virginia.

Section 7.19. Reserved.

Section 7.20. Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Reserved.
Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2019 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2019 Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the “Consolidated Fund.” The Commission, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2019 Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2019 Bonds from gross income for federal income tax purposes.

Section 8.02. Covenants as to Use of Proceeds. The Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2019 Bonds as may be necessary in order to maintain the status of the Series 2019 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer’s use of the proceeds of the Series 2019 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the BPH, as the case may be, from which the proceeds of the Series 2019 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or
requested by the Authority or the BPH, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer’s use of the proceeds of the Series 2019 Bonds and any additional information requested by the Authority.

**ARTICLE IX**

**DEFAULT AND REMEDIES**

**Section 9.01. Events of Default.** Each of the following events shall constitute an “Event of Default” with respect to the Series 2019 Bonds:

1. If default occurs in the due and punctual payment of the principal of or interest on any Series 2019 Bonds; or

2. If default occurs in the Issuer’s observance of any of the covenants, agreements or conditions on its part relating to the Series 2019 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2019 Bonds and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

3. If the Issuer or Board files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

4. If default occurs with respect to the Prior Bonds or the Prior Ordinances.

**Section 9.02. Remedies.** Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due; (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System; (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds; and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Holders of the Series 2019 Bonds shall be on a parity with those of the Holders of the Prior Bonds.

**Section 9.03. Appointment of Receiver.** Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights,
have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinafore conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X
PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2019 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under
this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2019 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2019 Bonds from gross income for federal income tax purposes.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the assumption and re-designation of the Series 2019 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following assumption and re-designation of the Series 2019 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2019 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2019 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2019 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2019 Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2019 Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided, that in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be
taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Manager, the City Clerk and members of the Governing Body and the Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Appointment. The Issuer does hereby appoint, designate and approve the hiring of Steptoe & Johnson PLLC, Charleston, West Virginia, as bond counsel to the Issuer and the Board in connection with the assumption and re-designation by the Issuer of the Series 2019 Bonds.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Dominion Post, a newspaper published and of general circulation in The City of Morgantown, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the assumption and re-designation of the Series 2019 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Left Blank]
Section 11.09. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Passed on First Reading:

Passed on Second Reading:

Passed on Final Reading Following Public Hearing:

THE CITY OF MORGANTOWN

By: ____________________________
   Mayor
CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF MORGANTOWN on the ___ day of __________, 2019.


[SEAL]

______________________________
City Clerk
BOND ORDINANCE

THE CITY OF MORGANTOWN

ASSUMPTION OF THE
RIVER ROAD PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2001
(WEST VIRGINIA DWTRF PROGRAM); AND
WATER REVENUE BONDS, SERIES 2016 A
(WEST VIRGINIA DWTRF PROGRAM)

AND

RE-DESIGNATED AND REPLACED AS

THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 A
(WEST VIRGINIA DWTRF PROGRAM); AND
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2019 B
(WEST VIRGINIA DWTRF PROGRAM)

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SIGNATURES
CERTIFICATION
CITY OF MORGANTOWN

AN ORDINANCE AUTHORIZING THE ACQUISITION OF
THE ASSETS OF THE WATERWORKS SYSTEM OF RIVER
ROAD PUBLIC SERVICE DISTRICT AND APPROVING AN
ACQUISITION AGREEMENT BY AND AMONG RIVER
ROAD PUBLIC SERVICE DISTRICT, THE CITY OF
MORGANTOWN AND MORGANTOWN UTILITY BOARD

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

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

WHEREAS, the City, acting by and through the Board, currently operates and
maintains a water treatment and distribution system that serves approximately 26,201 customers
in Monongalia County, West Virginia pursuant to certificates of convenience and necessity
issued by the Public Service Commission of West Virginia (the “Commission”);

WHEREAS, River Road Public Service District (the “District”) is a public service
district and public corporation created by order of The County Commission of Monongalia
County (the “County Commission”) pursuant to the provisions of Chapter 16, Article 13A of the
Code;

WHEREAS, the District currently provides water distribution service to
approximately 781 customers in Monongalia County, West Virginia;

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

WHEREAS, the assets of the District’s public waterworks system includes, but is not
limited to, pump houses, water transmission and distribution lines, water storage tanks, booster
stations, mains, extensions, laterals, valves, connections, services, meters, and all other
equipment and personal property used and useful in providing water service to the customers of
the District, together with all real property, interests in land, leases, easements, rights-of-way,
permits, certificates of convenience and necessity, deposit accounts, savings accounts,
investments, security deposits, accounts receivable, renewal and replacement accounts, customer
contributions in aid of construction, bond sinking funds, bond reserve accounts, service territory
and all other tangible and intangible assets owned or held by the District and used or useful in
providing water service to the District’s customers (collectively, the “Waterworks System”);
WHEREAS, the District currently has outstanding the following indebtedness secured by the Waterworks System: (i) Water Revenue Bond, Series 2001 (West Virginia DWTRF Program), dated October 25, 2001, issued in the original aggregate principal amount of $1,068,500, and (ii) Water Revenue Bond, Series 2016 A (West Virginia DWTRF Program), dated August 11, 2016, issued in the original aggregate principal amount of $2,546,000 (collectively, the “Bonds”);  

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

WHEREAS, pursuant to adoption of a resolution on March 18, 2019, as the entity vested by the City with responsibility for the supervision, management, control and operation of the City’s System, the Board recommended to the City that it acquire the Waterworks System in order to provide water treatment and distribution service to the current customers of the Waterworks System (the “Acquisition”), all on the terms, conditions, and limitations substantially as set forth in the form of an agreement attached hereto as Exhibit A and incorporated herein by reference (the “Acquisition Agreement”); and  

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

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

Section 1. The City hereby authorizes acquisition of the Waterworks System in order to provide water treatment and distribution service to the current customers of the Waterworks System.  

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

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

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

Section 5. The Acquisition is in the public interest, serves a public purpose of the City and will promote the health, welfare and safety of the District’s customers.
Section 6. Upon introduction hereof, the City Clerk shall cause to be published notice of this Ordinance in the Dominion Post, a qualified newspaper of general circulation in the City of Morgantown, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before the City Council on April 16, 2019, at 7:00 p.m. and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, City of Morgantown, Morgantown, West Virginia.

[Remainder of Page Intentionally Blank]
First Reading: April 2, 2019

Second Reading and Public Hearing: April 16, 2019

Filed: ____________________________

Recorded: __________________________

APPROVED AND CORRECT AS TO FORM:

By: ________________________________
   City Solicitor

MAYOR

CITY CLERK
EXHIBIT A

Form of Acquisition Agreement
CITY OF MORGANTOWN

AN ORDINANCE SETTING FORTH THE RATES, FEES AND CHARGES FOR SERVICE TO CUSTOMERS OF THE WATERWORKS SYSTEM OF THE CITY OF MORGANTOWN.

THE COUNCIL OF THE CITY OF MORGANTOWN HEREBY ORDAINS: The following rules, rates and charges are hereby fixed, determined and established for municipal water services provided to all general domestic, commercial, and industrial users of the City of Morgantown’s Municipal Waterworks System, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

SECTION 1 – TARIFF

927.01 RATE SCHEDULES

The following schedules of rates, fees, charges, delayed payment penalty charges, service connection charges, reconnection charges and opening or transferring account charges are hereby fixed and determined as the rates, fees, charges, delayed payment penalty charges, service connection charges, reconnection charges and opening or transferring account charges to be charged to consumers of the waterworks system of the City throughout the entire territory served.

SCHEDULE NO. 1

APPLICABILITY

Applicable in entire territory served, excluding the area previously served by River Road Public Service District. Effective for bills rendered on or after November 5, 2018.

AVAILABILITY OF SERVICE

Available for general, domestic, commercial and industrial service.

RATE

<table>
<thead>
<tr>
<th>Gallons Used Per Month</th>
<th>Rate Per 1,000 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>First 60,000</td>
<td>$5.15</td>
</tr>
<tr>
<td>All Over 60,000</td>
<td>$3.37</td>
</tr>
</tbody>
</table>
MINIMUM CHARGE
No bill will be rendered for less than the following amounts, according to the size of the meter installed, to wit:

<table>
<thead>
<tr>
<th>Meter (inches)</th>
<th>Rate Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 inch or less</td>
<td>$5.15</td>
</tr>
<tr>
<td>3/4 inch</td>
<td>$7.76</td>
</tr>
<tr>
<td>1 inch</td>
<td>$12.88</td>
</tr>
<tr>
<td>1 1/2 inch</td>
<td>$25.74</td>
</tr>
<tr>
<td>2 inch</td>
<td>$41.18</td>
</tr>
<tr>
<td>3 inch</td>
<td>$77.21</td>
</tr>
<tr>
<td>4 inch</td>
<td>$128.68</td>
</tr>
<tr>
<td>6 inch</td>
<td>$257.36</td>
</tr>
<tr>
<td>8 inch</td>
<td>$411.77</td>
</tr>
</tbody>
</table>

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each month where it is appropriate.

TAP FEE
The following charges are to be made whenever the utility installs a new tap to serve an applicant:

<table>
<thead>
<tr>
<th>Meter (inches)</th>
<th>Tap Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 inch or less</td>
<td>$700.00</td>
</tr>
<tr>
<td>3/4 inch</td>
<td>$700.00</td>
</tr>
<tr>
<td>1 inch</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>1 1/2 inch</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>2 inch</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>&gt;2 inch</td>
<td>Actual Cost</td>
</tr>
</tbody>
</table>

RECONNECTION CHARGE
A fee of fifteen dollars ($15.00) during Utility Board regular working hours and twenty-five dollars ($25.00) after hours shall be charged whenever the supply of water is turned off for violation of rules, nonpayment of bills, or fraudulent use of water.

LEAK ADJUSTMENT
$0.615 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer’s side of the meter. This rate shall be applied to all such unusual consumption above the customer’s historical average usage.

RETURNED CHECK CHARGE
A service charge of $20.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.
QUARRY RUN DEBT SERVICE SURCHARGE
Applicable only to customers in the Quarry Run area: $40.00 per month, per customer. This surcharge will be evaluated annually and in the event that a change in the number of customers results in a five percent (5%) change in the rate, the rate will be adjusted.

ROCKLEY ROAD DEBT SERVICE SURCHARGE
Applicable only to customers in the Rockley Road area: $77.69 per month, per customer. This surcharge will be evaluated annually and in the event that a change in the number of customers results in a five percent (5%) change in the rate, the rate will be adjusted.

SCHEDULE NO. 2

APPLICABILITY
Applicable in entire territory served, excluding the area previously served by River Road Public Service District. Effective for bills rendered on or after November 5, 2018.

AVAILABILITY OF SERVICE
Available for general, domestic, commercial and industrial service.

RATE

<table>
<thead>
<tr>
<th>Gallons Used Bi-Monthly</th>
<th>Rate Per 1,000 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>First 120,000</td>
<td>$5.15</td>
</tr>
<tr>
<td>All Over 120,000</td>
<td>$3.37</td>
</tr>
</tbody>
</table>

MINIMUM CHARGE
No bill will be rendered for less than the following amounts, according to the size of the meter installed, to wit:

<table>
<thead>
<tr>
<th>Meter (inches)</th>
<th>Rate Per (Bi-Monthly)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 inch or less</td>
<td>$10.30</td>
</tr>
<tr>
<td>3/4 inch</td>
<td>$15.52</td>
</tr>
<tr>
<td>1 inch</td>
<td>$25.76</td>
</tr>
<tr>
<td>1 1/2 inch</td>
<td>$51.48</td>
</tr>
<tr>
<td>2 inch</td>
<td>$82.36</td>
</tr>
<tr>
<td>3 inch</td>
<td>$154.42</td>
</tr>
<tr>
<td>4 inch</td>
<td>$257.36</td>
</tr>
<tr>
<td>6 inch</td>
<td>$514.72</td>
</tr>
<tr>
<td>8 inch</td>
<td>$823.54</td>
</tr>
</tbody>
</table>
DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid in full when due, ten percent (10%) will be added to the net amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each month where it is appropriate.

TAP FEE
The following charges are to be made whenever the utility installs a new tap to serve an applicant:

<table>
<thead>
<tr>
<th>Meter (inches)</th>
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</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>3/4 inch</td>
<td>$700.00</td>
</tr>
<tr>
<td>1 inch</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>1 1/2 inch</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>2 inch</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>&gt;2 inch</td>
<td>Actual Cost</td>
</tr>
</tbody>
</table>

RECONNECTION CHARGE
A fee of fifteen dollars ($15.00) during Utility Board regular working hours and twenty-five dollars ($25.00) after hours shall be charged whenever the supply of water is turned off for violation of rules, nonpayment of bills, or fraudulent use of water.

LEAK ADJUSTMENT
$0.615 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer’s side of the meter. This rate shall be applied to all such unusual consumption above the customer’s historical average usage.

RETURNED CHECK CHARGE
A service charge of $20.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

QUARRY RUN DEBT SERVICE SURCHARGE
Applicable only to customers in the Quarry Run area: $80.00 bi-monthly, per customer. This surcharge will be evaluated annually and in the event that a change in the number of customers results in a five percent (5%) change in the rate, the rate will be adjusted.

ROCKLEY ROAD DEBT SERVICE SURCHARGE
Applicable only to customers in the Rockley Road area: $155.38 bi-monthly, per customer. This surcharge will be evaluated annually and in the event that a change in the number of customers results in a five percent (5%) change in the rate, the rate will be adjusted.
SCHEDULE NO. 3

APPLICABILITY
Applicable in the City of Morgantown.

AVAILABILITY OF SERVICE
Available for service to public fire hydrants.

RATE
The City of Morgantown shall pay as a public fire charge at the rate of $133.00 per hydrant per annum, payable in twelve equal monthly installments. This charge covers all water system facilities existing at Morgantown, West Virginia which are used in whole or in part for public fire service.

SCHEDULE NO. 4

APPLICABILITY
Applicable in the municipalities served by the Board excluding the City of Morgantown.

AVAILABILITY OF SERVICE
Available for service to public fire hydrants.

RATE
Any municipality shall pay as a public fire charge at the rate of $133.00 per hydrant per annum, payable in twelve equal monthly installments. This charge covers all water system facilities existing in any municipality which are used in whole or in part for public fire service.
SCHEDULE NO. 5

APPLICABILITY
Applicable in entire territory served (except municipalities).

AVAILABILITY OF SERVICE
Available for service to private fire protection facilities.

RATE

<table>
<thead>
<tr>
<th>Description</th>
<th>Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire Hydrants, each</td>
<td>$192.85</td>
</tr>
<tr>
<td>Sprinkler Heads, 312 or less</td>
<td>$192.85</td>
</tr>
<tr>
<td>Sprinkler Heads, each additional</td>
<td>$0.692</td>
</tr>
</tbody>
</table>

Hose Connections, for fire use only:

<table>
<thead>
<tr>
<th>Size</th>
<th>Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 1/2 inch openings, each</td>
<td>$112.39</td>
</tr>
<tr>
<td>2 inch openings, each</td>
<td>$58.79</td>
</tr>
<tr>
<td>1 1/2 inch openings, each</td>
<td>$32.25</td>
</tr>
<tr>
<td>1 1/4 inch openings, each</td>
<td>$21.28</td>
</tr>
<tr>
<td>1 inch openings, each</td>
<td>$13.30</td>
</tr>
</tbody>
</table>

MINIMUM CHARGE
One hundred ninety two dollars and eighty five cents ($192.85) per annum.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each month where it is appropriate.

TERMS AND CONDITIONS OF SERVICE:
Charges for service rendered under this schedule are billed bi-monthly in arrears, and bills are payable on or before the twentieth (20th) day following the date rendered.

RETURNED CHECK CHARGE
A service charge of $20.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.
SCHEDULE NO. 6

APPLICABILITY
Applicable in the area previously served by River Road Public Service District.

AVAILABILITY OF SERVICE
Available for general, domestic, commercial and industrial service.

RATE

<table>
<thead>
<tr>
<th>Gallons Used Per Month</th>
<th>Rate Per 1,000 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>First 2,000</td>
<td>$14.40</td>
</tr>
<tr>
<td>Next 3,000</td>
<td>$13.24</td>
</tr>
<tr>
<td>Next 5,000</td>
<td>$12.60</td>
</tr>
<tr>
<td>All Over 10,000</td>
<td>$11.81</td>
</tr>
</tbody>
</table>

MINIMUM CHARGE
No bill will be rendered for less than the following amounts, according to the size of the meter installed. to wit:

<table>
<thead>
<tr>
<th>Meter (inches)</th>
<th>Rate Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 inch or less</td>
<td>$28.80</td>
</tr>
<tr>
<td>3/4 inch</td>
<td>$43.00</td>
</tr>
<tr>
<td>1 inch</td>
<td>$72.00</td>
</tr>
<tr>
<td>1 1/2 inch</td>
<td>$150.00</td>
</tr>
<tr>
<td>2 inch</td>
<td>$230.40</td>
</tr>
<tr>
<td>3 inch</td>
<td>$460.80</td>
</tr>
<tr>
<td>4 inch</td>
<td>$720.00</td>
</tr>
<tr>
<td>6 inch</td>
<td>$1400.00</td>
</tr>
<tr>
<td>8 inch</td>
<td>$2500.00</td>
</tr>
</tbody>
</table>

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each month where it is appropriate.
TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

<table>
<thead>
<tr>
<th>Meter (inches)</th>
<th>Tap Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 inch or less</td>
<td>$700.00</td>
</tr>
<tr>
<td>3/4 inch</td>
<td>$700.00</td>
</tr>
<tr>
<td>1 inch</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>1 1/2 inch</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>2 inch</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>&gt;2 inch</td>
<td>Actual Cost</td>
</tr>
</tbody>
</table>

RECONNECTION CHARGE

A fee of fifteen dollars ($15.00) during Utility Board regular working hours and twenty-five dollars ($25.00) after hours shall be charged whenever the supply of water is turned off for violation of rules, nonpayment of bills, or fraudulent use of water.

LEAK ADJUSTMENT

$0.615 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer’s side of the meter. This rate shall be applied to all such unusual consumption above the customer’s historical average usage.

RETURNED CHECK CHARGE

A service charge of $20.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

SECTION 2 – EFFECTIVE DATE

The rates, charges and penalties provided herein shall become effective November 5, 2018, (i) immediately after enactment, and (ii) the City of Morgantown, acting by and through Morgantown Utility Board, closing on the acquisition of the waterworks system assets of River Road Public Service District.

SECTION 3 – SEVERABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are severable, and if any clause, provision or section hereof shall be held void or unenforceable by the Public Service Commission of West Virginia or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.
SECTION 4 – STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance in the Dominion Post, a qualified newspaper of general circulation in the City of Morgantown, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before the City Council on Tuesday, June 19, 2018, April 16, 2019 at 7:00 p.m., which date is not less than five (5) days after the date of the publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, City of Morgantown, Morgantown, West Virginia.

First Reading: April 2, 2019
Second Reading and Public Hearing: April 16, 2019

CITY OF MORGANTOWN, a municipal corporation

Mayor: __________________________

Clerk: __________________________
AN ORDINANCE AUTHORIZING SALE OF REAL ESTATE AT MORGANTOWN MUNICIPAL AIRPORT

The City of Morgantown hereby ordains that the City Manager is authorized to execute the attached form of Deed conveying parts of Parcels 9 and 13, Tax Map 32A, containing 1.85 acres, more or less, to RDR Properties, LLC, together with such other or substitute documents as may be required for conveyance of the property, including any conditions imposed by the Federal Aviation Administration on the transfer of property.

This ordinance shall become effective upon approval of the transfer by the Federal Aviation Administration by issuance of a Deed of Release or other appropriate determination.

FIRST READING: _________________________

MAYOR

ADOPTED: _________________________

FILED: _________________________

CITY CLERK

RECORDED: _________________________
Quitclaim Deed

This Quitclaim Deed ("Deed") is made and entered into this the ___ day of April, 2019, by and between The City of Morgantown, West Virginia, a municipal corporation, party of the first part, as grantor ("Grantor"), and RDR Properties LLC, a West Virginia limited liability company, party of the second part, as grantee ("Grantee").

For and in consideration of the amount of Ten Dollars ($10.00), and other good and valuable consideration, the adequacy, receipt, and sufficiency of all of which are acknowledged, without assurance, covenant, or warranty of title, Grantor confirms, conveys, grants, quitclaims, releases, and transfers to Grantee the lots, parcels, and/or tracts located and situate in the Sixth Ward of The City of Morgantown, Morgan District, Monongalia County, West Virginia, described as follows:

Parcel One: Beginning at a pk nail (found), standing at the intersection of Monongalia County Route 857, known as Hartman Run Road, and Monongalia County Route 119/26, known as Hart Field Road, as a corner to now or formerly City of Morgantown (Deed Book 273, Page 266), the parent tract of the parcel herein described; thence leaving said Hart Field Road with said Hartman Run Road, N 23°14’38” E 142.34 feet to a point; thence with a curve turning to the left having a radius of 2894.79 feet, a chord bearing of N 20°12’38” E, and a chord length of 306.37 feet northeast along said curve for 306.51 feet to a point; thence N 17°10’38” E 30.85 feet to a point; thence with a curve turning to the right having a radius of 788.51 feet, a chord bearing of N 25°51’39” E, and a chord length of 238.10 feet northeast along said curve for 239.01 feet to a point; thence N 34°32’40” E 152.60 feet to a point; thence S 55°27’20” E 30.00 feet to a pk nail (found), standing on the east side of said Hartman Run Road as a corner to now or formerly RDR Properties LLC (Deed Book 1559, Page 491); thence with said RDR Properties LLC, S 39°46’38” W 32.04 feet to a pk nail (found); thence with a curve turning to the left having a radius of 527.50 feet, a chord bearing of S 23°47’29” W, and a chord length of 299.76 feet southwest along said curve for 303.95 feet to a point; thence N 82°42’56” W 17.50 feet to a 5/8-inch capped iron rod (found); thence with a curve turning to the left having a radius of 545.00 feet, a chord bearing of S 02°00’01” E, and a chord length of 188.37 feet southeast along said curve for 189.32 feet to a 5/8-inch capped iron rod (found); thence N 77°22’54” E 17.50 feet to a point pk nail (found); thence with a curve turning to the left having a radius of 527.50 feet, a chord bearing of S 14°44’36” E, and a chord length of 39.12 feet southeast along said curve for 39.13 feet to a 5/8-inch capped iron rod (found); thence with a reverse curve turning to the right having a radius of 135.50 feet, a chord bearing of S 18°15’24” W, and a chord length of 155.92 feet southwest along said curve for 166.14 feet to a point; thence with a reverse curve turning to the left having a radius of 111.50
feet, a chord bearing of S 27°07'54" W, and a chord length of 98.63 feet southwest along said curve for 102.17 feet to a pk nail (found); thence S 00°32'54" W 16.95 feet to a pk nail (found), standing on the north side of said Hart Field Road as a corner to said RDR Properties LLC; thence leaving said RDR Properties LLC with a line of said Hart Field Road, N 89°40'25" W 169.15 feet to the place of beginning, containing 1.74 acres, more or less, and designated as Parcel "A" on the plat of survey referenced below.

Parcel Two: Beginning at a pk nail (found), standing on the north side of Monongalia County Route 119/26, known as Hart Field Road, as a corner to row or formerly The City of Morgantown (Deed Book 273, Page 266), the parent tract of the parcel herein described, and as a corner to row or formerly RDR Properties LLC (Deed Book 1559, Page 491); thence leaving said Hart Field Road with said RDR Properties LLC, with a curve turning to the right having a radius of 64.50 feet, a chord bearing of N 17°47'35" E, and a chord length of 20.84 feet northeast along said curve for 20.93 feet to a pk nail (found); thence with a reverse curve turning to the left having a radius of 247.47 feet, a chord bearing of N 10°57'23" E, and a chord length of 137.58 feet northeast along said curve for 139.42 feet to a pk nail (found); thence N 84°47'08" E 12.59 feet to a 3/4-inch iron rod (found), standing as a corner to said RDR Properties LLC and as a corner to row or formerly The City of Morgantown (Deed Book 275, Page 227); thence leaving said RDR Properties LLC with a line of said City, S 06°40'59" E 157.49 feet to a 3/4-inch iron rod (found), standing as a corner to The City of Morgantown on the north side of said Hart Field Road; thence leaving said City with a line of said Hart Field Road, N 89°40'25" W 63.38 feet to the place of beginning, containing 0.11 acre, more or less, and designated as Parcel "B" on the plat of survey referenced below.

A plat depicting, illustrating, and showing Parcel One and Parcel Two ("Parcels"), prepared by Chad Enoch Freels, PS 2177, of Consolidated Survey, PLLC, dated July, 2018, is appended to this Deed as an exhibit and incorporated and integrated into this Deed by this reference.

The Parcels are a part of the property that was granted and conveyed to Grantor (1) as Parcel 9 in the deed dated January 3, 1936, of record in the Office of the Clerk of the County Commission of Monongalia County, West Virginia ("Clerk’s Office") in Deed Book 275 at Page 227 and (2) as Parcel 13 in the deed dated October 11, 1935, of record in the Clerk’s Office in Deed Book 273 at Page 266.

The Parcels are granted and conveyed to Grantee and accepted by Grantee encumbered by and subject to the following conditions, covenants, exceptions, limitations, reservations, and/or restrictions which shall bind and run with the Parcels:

(1) Grantor, sponsor for the Morgantown Municipal Airport, reserves unto itself and its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Parcels, together with the right to cause in such airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in
such airspace, and for use of such airspace for landing on, taking off from, or operating on the Morgantown Municipal Airport.

(2) Grantor and Grantee expressly agree for themselves and their successors and assigns to restrict the height of structures, objects of natural growth, and other obstructions on the Parcels to heights that would not constitute an obstruction to air navigation as determined by the Federal Aviation Administration.

(3) Grantor and Grantee expressly agree for themselves and their successors and assigns to prevent any use of the Parcels which would interfere with the landing or taking off of aircraft at the Morgantown Municipal Airport or interfere with air navigation and communications serving the airport or that would otherwise constitute an airport hazard.

The Parcels are granted and conveyed to Grantee and accepted by Grantee encumbered by and subject to all agreements, assessments, conditions, covenants, easements, exceptions, limitations, mineral severances, reservations, restrictions, rights of way, servitudes, and other encumbrances as have been imposed upon the Parcels of record in the Clerk’s Office by Grantor and Grantor’s predecessors in title which are effective and enforceable as of the delivery of this Deed.

Declaration of Consideration or Value: Under and pursuant to the provisions of Article 22 of Chapter 11 of the West Virginia Code, Grantor declares that the transfer of property effected and made by this Deed is exempt from the applicable excise taxes on the basis that it is a transfer from a political subdivision of the State of West Virginia.

Witness the following signature.

The City of Morgantown, West Virginia,
a municipal corporation

By: ________________________________
Name: ______________________________
Title: ______________________________
State of West Virginia,
County of Monongalia, to-wit:

The foregoing instrument was acknowledged and sworn to before me this the ____ day of April, 2019, by ________, in his capacity as ______________ of The City of Morgantown, West Virginia, a municipal corporation, for and on behalf of such corporation, as the act and deed of such corporation.

{SEAL}

Notary Public
My Commission expires: ____________________

THIS INSTRUMENT WAS PREPARED WITHOUT THE BENEFIT OF A TITLE EXAMINATION, TITLE REPORT, TITLE CERTIFICATE, OR TITLE INSURANCE COMMITMENT AND NEITHER THE PREPARER NOR REEDER & SHUMAN BY THE PREPARATION OF THIS INSTRUMENT MAKE ANY EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS, OR AFFIRMATIONS OF ANY KIND, NATURE, MANNER, OR CHARACTER, INCLUDING, WITHOUT LIMITATION, WARRANTIES, REPRESENTATIONS, OR AFFIRMATIONS RELATING TO THE QUALITY OF TITLE, THE NATURE OF TITLE, POSSESSION, QUIET ENJOYMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, THE CONDITION OF THE PROPERTY, ACCESS TO THE PROPERTY, OR THE CAPACITY OF GRANTOR(S) TO GRANT OR CONVEY TITLE.
# General Fund Income Statement

For the Month Ended February 28, 2019

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Annual Budget Amount</th>
<th>Annual MTD Actual Amount</th>
<th>Annual YTD Actual Amount</th>
<th>Annual Budget Less YTD Actual</th>
<th>% of Budget</th>
<th>Prior Year Budget YTD Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUND 001 - General Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax Current Year</td>
<td>4,309,972.00</td>
<td>123,761.85</td>
<td>2,496,344.83</td>
<td>1,813,627.17</td>
<td>58</td>
<td>2,881,367.27</td>
</tr>
<tr>
<td>Property Tax Prior Year</td>
<td>210,028.00</td>
<td>2,320.64</td>
<td>196,699.36</td>
<td>13,328.64</td>
<td>94</td>
<td>310,917.95</td>
</tr>
<tr>
<td>Property Tax Supplemental</td>
<td>46,000.00</td>
<td>6,703.38</td>
<td>48,351.04</td>
<td>(2,351.04)</td>
<td>105</td>
<td>44,962.04</td>
</tr>
<tr>
<td>Penalty &amp; Interest &amp; Publication Fees Tax</td>
<td>32,000.00</td>
<td>1,937.03</td>
<td>22,842.46</td>
<td>9,157.54</td>
<td>71</td>
<td>30,678.73</td>
</tr>
<tr>
<td>Gas &amp; Oil Severance Tax</td>
<td>40,000.00</td>
<td>.00</td>
<td>62,300.96</td>
<td>(22,300.96)</td>
<td>156</td>
<td>38,919.26</td>
</tr>
<tr>
<td>Excise Tax Electric</td>
<td>550,000.00</td>
<td>.00</td>
<td>436,022.35</td>
<td>113,977.65</td>
<td>79</td>
<td>426,068.62</td>
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<tr>
<td>Excise Tax Gas</td>
<td>162,000.00</td>
<td>54,669.16</td>
<td>119,366.30</td>
<td>42,633.70</td>
<td>74</td>
<td>95,184.42</td>
</tr>
<tr>
<td>Excise Tax MUB</td>
<td>205,000.00</td>
<td>44,399.88</td>
<td>153,227.93</td>
<td>51,772.07</td>
<td>75</td>
<td>143,172.03</td>
</tr>
<tr>
<td>Excise Tax Phone</td>
<td>140,000.00</td>
<td>13,747.54</td>
<td>104,214.26</td>
<td>35,785.74</td>
<td>74</td>
<td>124,039.21</td>
</tr>
<tr>
<td>Excise Tax MC/GB Hauler</td>
<td>45,000.00</td>
<td>10,316.58</td>
<td>32,129.96</td>
<td>12,870.04</td>
<td>71</td>
<td>32,377.15</td>
</tr>
<tr>
<td>Business &amp; Occupation Tax Regular</td>
<td>12,500,000.00</td>
<td>1,895,380.12</td>
<td>10,505,806.27</td>
<td>1,994,193.73</td>
<td>84</td>
<td>9,586,762.15</td>
</tr>
<tr>
<td>Business &amp; Occupation Tax B&amp;O Construction</td>
<td>1,600,000.00</td>
<td>82,047.61</td>
<td>1,039,402.83</td>
<td>560,597.17</td>
<td>65</td>
<td>2,453,133.23</td>
</tr>
<tr>
<td>Wine &amp; Liquor Tax General</td>
<td>800,000.00</td>
<td>.00</td>
<td>550,042.49</td>
<td>249,957.51</td>
<td>69</td>
<td>545,100.47</td>
</tr>
<tr>
<td>Animal Control Tax General</td>
<td>4,000.00</td>
<td>91.80</td>
<td>3,456.00</td>
<td>544.00</td>
<td>86</td>
<td>3,383.10</td>
</tr>
<tr>
<td>Hotel Occupancy Tax General</td>
<td>960,000.00</td>
<td>62,909.31</td>
<td>727,300.88</td>
<td>232,699.12</td>
<td>76</td>
<td>629,650.43</td>
</tr>
<tr>
<td>Amusement Tax General</td>
<td>10,000.00</td>
<td>201.17</td>
<td>4,219.34</td>
<td>5,780.66</td>
<td>42</td>
<td>3,027.13</td>
</tr>
<tr>
<td>Video Lottery (LVL) General</td>
<td>90,000.00</td>
<td>8,550.70</td>
<td>68,903.69</td>
<td>21,096.31</td>
<td>77</td>
<td>66,806.64</td>
</tr>
<tr>
<td>Fines Fees &amp; Court Costs General</td>
<td>650,000.00</td>
<td>13,914.00</td>
<td>302,598.50</td>
<td>347,401.50</td>
<td>47</td>
<td>437,807.34</td>
</tr>
<tr>
<td>Licenses Business License Fees</td>
<td>117,000.00</td>
<td>1,330.00</td>
<td>73,592.99</td>
<td>43,407.01</td>
<td>63</td>
<td>38,577.00</td>
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<tr>
<td>Licenses Contractor License Fees</td>
<td>85,000.00</td>
<td>935.00</td>
<td>44,660.00</td>
<td>40,340.00</td>
<td>53</td>
<td>39,010.00</td>
</tr>
<tr>
<td>Building Permit Fees General</td>
<td>237,095.00</td>
<td>21,139.13</td>
<td>120,214.28</td>
<td>116,880.72</td>
<td>51</td>
<td>135,590.21</td>
</tr>
<tr>
<td>Permits Miscellaneous</td>
<td>2,000.00</td>
<td>1,119.00</td>
<td>8,455.04</td>
<td>(6,455.04)</td>
<td>423</td>
<td>3,040.00</td>
</tr>
<tr>
<td>Permits Sign Fees</td>
<td>1,000.00</td>
<td>.00</td>
<td>.00</td>
<td>1,000.00</td>
<td>0</td>
<td>988.00</td>
</tr>
<tr>
<td>Franchise Agreement Fees Telephone</td>
<td>2,500.00</td>
<td>.00</td>
<td>2,531.25</td>
<td>(31.25)</td>
<td>101</td>
<td>2,531.25</td>
</tr>
<tr>
<td>Franchise Agreement Fees CATV</td>
<td>390,000.00</td>
<td>.00</td>
<td>257,024.19</td>
<td>132,975.81</td>
<td>66</td>
<td>284,589.48</td>
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<tr>
<td>Inspection Fees Housing</td>
<td>70,000.00</td>
<td>5,015.00</td>
<td>66,765.00</td>
<td>3,235.00</td>
<td>95</td>
<td>41,129.80</td>
</tr>
<tr>
<td>Inspection Fees Code Plan Review</td>
<td>7,000.00</td>
<td>2,150.00</td>
<td>12,600.00</td>
<td>(5,600.00)</td>
<td>180</td>
<td>2,940.00</td>
</tr>
<tr>
<td>Inspection Fees Fire Plan Review</td>
<td>7,025.00</td>
<td>1,732.00</td>
<td>11,465.60</td>
<td>(4,440.60)</td>
<td>163</td>
<td>.00</td>
</tr>
<tr>
<td>Inspection Fees Miscellaneous</td>
<td>15,000.00</td>
<td>.00</td>
<td>.00</td>
<td>15,000.00</td>
<td>0</td>
<td>.00</td>
</tr>
<tr>
<td>IRC Fees Truck Registration</td>
<td>130,000.00</td>
<td>.00</td>
<td>116,417.01</td>
<td>13,582.99</td>
<td>90</td>
<td>93,623.10</td>
</tr>
<tr>
<td>Municipal Service Fees User Fee</td>
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<td>4,500.00</td>
<td>7,500.00</td>
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<td>Annual Budget Amount</td>
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<td>Prior Year YTD Amount</td>
<td>YTD Budget Status</td>
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<td>-------------</td>
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<td>Payments in Lieu of Taxes - PILOT</td>
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<td>Gaming Income General</td>
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<td>Refunds &amp; Rebates - P. Card Rebate</td>
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<td>Sale of Fixed Assets - Other</td>
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<td>Miscellaneous - Fire Dept.</td>
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<tr>
<td>Miscellaneous - Other</td>
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<td>0%</td>
<td>($0.00)</td>
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</table>

- **Total Budgeted:** $2,576,000.00
- **Total YTD:** $1,770,000.00

*General Fund Income Statement*

For the Month Ended February 28, 2019

Page 114 of 115
# General Fund Income Statement

For the Month Ended February 28, 2019

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Annual Budget Amount</th>
<th>MTD Actual Amount</th>
<th>YTD Actual Amount</th>
<th>Budget Less YTD Actual</th>
<th>% of Budget</th>
<th>Prior Year YTD Total</th>
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<tbody>
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<td>409 Mayor</td>
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<td>1,012.55</td>
<td>6,609.43</td>
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<td>6,073.68</td>
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<td>535,198.53</td>
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<td>415 City Clerk</td>
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<td>141,790.66</td>
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<td>543,300.36</td>
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**EXPENSE TOTALS**

$37,282,609.00 $2,246,096.65 $23,104,824.55 $14,117,784.45 62% $21,705,874.37

Target Year-to-Date Percentage

66.7%