

September 19, 2019

2013B BOND REFUNDING

Process Outlined and Documents for Distribution:

The 2013B Bond refunding has been recommended by Compass Municipal Advisors and Crews and Associates (Emails dated January 2 and August 7, 2019).

The process requires completion of the following:

1. WV PSC Annual Reports FY19 (October 2019)
2. Compilation Report FY19 (December 2019)
3. Financial Audit FY19 (January / February 2020)
(Reference to Exhibits 1, 2 and 3 for FY18 *)

Compass Municipal Advisors will complete Proforma Schedules (Exhibit 4), Bonding and Cumulative Debt Schedules (Reference Exhibit 4A). Also, Underwriter Engagement and Disclosure Letter will be executed (4B)

J.C. Kunkle and Associates will provide a Debt Service Coverage Ratio Analysis (Reference Exhibits 5 and 5A). This is also the basis of the CPA Opinion Letter produced prior to Bond issuance. (Exhibit 5B)

Once authorized to proceed by the Mayor and City Council, a Bond Ordinance is prepared for the required three (3) readings and one public hearing. Exhibit 6 is the Bond Ordinance for the 2018B Bond as part of the JCPSD Acquisition.

Concurrent with the Bond Ordinance readings, work begins on the Due Diligence Questionnaire (Exhibit 7 and 7A) required for the Preliminary Official Statement (POS) (Exhibit 8 example for the 2018B Bond dated December 12, 2018 and 8A for the 2016B Bond). Since the POS is relied upon by the investor market, this document contains all relevant disclosures including the purpose of the issuance, the actual Bond Ordinance, applicable Tariffs, as well as economic and demographic information. Certificates from Counsels are provided as to Approval of Legality and Absence of Material Litigation.

Receipt of Bond Insurance commitment letters from Build America Mutual is received. This replaces the required monthly Bond Reserve payment. Debt Service Reserve Fund sureties for other bond issues will be included with the refunding (Exhibits 9, 9A and 9B).

An Official Statement is released (Exhibit 10) and the Bond is purchased (Exhibit 10A).

A final Bonding Schedule is released for Supplemental Parameters to be approved by the Mayor and City Council (Exhibit 11).

The Supplemental Parameters Resolution is required to complete the issuance of the Bond (Exhibit 12).

Finally, Exhibit 13 data is being provided regarding Rate Equalization. Preparation of a Rule 42 for this effort will begin following completion of the Compilation for FY19.

Note: This information is provided by the Utility Manager to be an example only and is not all inclusive. Additional efforts and documents may be produced for certain other Bonds. For example, a refunding would not include the necessary engineering and tariff efforts as would a project bond ordinance.

* Access Exhibit Documents at: www.ctubwv.com Reports and Information 2013B Bond Refunding Exhibits

Exhibit List:

Exhibit a Compass Email 01022019
Exhibit b Crews Email 08072019
Exhibit 1 Charles Town PSC Report Sewer 06302018
Exhibit 1 Charles Town PSC Report Water 06302018
Exhibit 1 PSD PSC Report 12312018
Exhibit 1 Ranson PSC Report 06302018
Exhibit 2 Compilation Report 2018
Exhibit 3 CTUB FY2018 Audit
Exhibit 3 JCPSD FY2018 Audit
Exhibit 4 Compass Charles Town WV Pro Foma- JCPSD Acquisition
Exhibit 4A Compass Schedules 122018
Exhibit 4B CTUB - Series 2018 B - Preliminary Engagement Letter 10-18-18
Exhibit 5 Coverage Analysis Example
Exhibit 5A Debt Service Coverage at FY18
Exhibit 5B CERTIFICATE_OF_CPA
Exhibit 6 SJDOCS-#8058548-v3-BOND_ORDINANCE_JCPSD_-_PUBLIC_ISSUE
Exhibit 7 COMPLETED Due Diligence Questionnaire - Charles Town Series 2018 B v.5
Exhibit 7A 2018 Sewer Strategic Plan
Exhibit 8 CTUB POS 12-12-18 Final
Exhibit 8A Charles Town 2016 B - Preliminary Official Statement FINAL
Exhibit 9 COMMITMENT_LETTER_DEA000020262 - CITY OF CHARLES TOWN
Exhibit 9A PRE_SALE_ Charles_Town_Utility_Board_WV_Combined_ Waterworks_and
_Sewerage_System_Revenue_Bonds_Series_2018_B
Exhibit 9B ASSOC_RESERVE_COMMITMENT_W_NEW_ISSUE_DEA000020420 - CITY
OF CHARLES TOWN
Exhibit 10 Charles Town Utility Board (WV) - final OFFICIAL STATEMENT 12182018
Exhibit 10A FINAL Charles Town Bond Purchase Agreement 2018 B (4814-6276-9283)
Exhibit 11 FINAL Bonding Schedules 2018B - Charles Town
Exhibit 12 SJDOCS-#8223275-v2-DTCSUPPLEMENTAL PARAMETERS RESOLUTION

Preliminary data on Rate Equalization:

Exhibit 13 Tolbert Response Effort 11152018
Exhibit 13A July 29, 2019 Work Session Material
Exhibit 13B Rule 42 Example
Exhibit 13C Revenue Gap Analysis