

## **Contract Exemption 2026-06**

**Issued on May 7, 2026, by**

**The West Virginia Ethics Commission**

### **Opinion Sought**

The Huntington Stormwater Utility seeks a contract exemption to purchase a submersible water pump from [Service Pump & Supply Co., Inc.](#), a business owned by Patrick Farrell, the Mayor of Huntington and the Chairperson of the Utility.

### **Facts Relied Upon By the Commission**

The Huntington Stormwater Utility (HSU) is a utility of the City of Huntington responsible for managing the City's stormwater system and floodwall. The Mayor serves as the Chairperson and a voting member of the HSU. In fulfillment of its duties, the HSU must periodically purchase specialized equipment, such as pumps, which are available from a select number of vendors. The HSU had contracted with Service Pump & Supply Co., Inc. (SPS), a business located in Huntington and owned by Patrick Farrell, multiple times before he began his term as Mayor of Huntington on January 1, 2025.

Huntington has a "strong mayor" form of government. The mayor serves as the ex officio Chair of the HSU, the Huntington Water Quality Board (HWQB), and the Huntington Sanitary Board. Specifically, [West Virginia Code §16-13-18\(b\)](#), states, "[T]he sanitary board shall be composed of either the mayor of the municipality, or the city manager thereof, if the municipality has a city manager form of government...." In turn, [Huntington Revised Code § 930.02 \(2014\)](#) provides that the "control and operation of the Huntington Stormwater Utility... shall be vested in the Huntington Water Quality Board". In fact, the members of the Huntington Water Quality Board, Huntington Sanitary Board, and HSU are all the same. As the Chair of the HSU, Mayor Farrell

leads HSU meetings and holds one of three votes for all measures considered by the HSU.

Mayor Farrell is also the owner of SPS. Since assuming office, he has directed SPS staff to shield him from ongoing matters involving the HSU or any potential future agreements with the HSU, although he continues to generally oversee the operation of his business. The HSU recently solicited bids for a submersible water pump to use in its stormwater and flood prevention activities. The HSU sought competitive bids from three regional vendors known to sell the specialized equipment required. Three bids were received:

1. SPS (Huntington, WV): \$14,655
2. CITCO Water (Huntington, WV): \$30,098
3. PumpMan (Charleston, WV): \$62,351

Mr. Farrell claims he was not aware that his business had submitted a proposal to the HSU. SPS provided the lowest bid. If the HSU is required to accept the second-lowest bid, it will incur an additional cost of \$15,443 over the lowest bid. Despite the highest bidder offering a pump with higher horsepower and more expensive components, the HSU generally considers all bids to be comparable in meeting its requirements.

At its public meeting on April 7, 2026, the HSU considered bids for the pumps and publicly disclosed that the lowest bid was from SPS. The HSU board subsequently voted to seek this contract exemption from the Ethics Commission. The HSU explains that it practices the necessary requirements that the Ethics Act imposes on governmental entities including Mayor Farrell publicly disclosing his interest in SPS and completely removing himself from any meetings that require voting on the purchase of equipment similar to that which his company sells. Moreover, Mayor Farrell was not present for the vote to seek a contract exemption for this transaction.

### **Provisions Relied Upon By the Commission**

[W. Va. Code § 6B-2-5\(d\)\(1\)](#) states, in relevant part:

In addition to the provisions of section fifteen, article ten, chapter sixty-one of this code, no elected or appointed public official or public employee or member of his or her immediate family or business with which he or she is associated may be a party to or have an interest in the profits or benefits of a contract which the official or employee may have direct authority to enter into, or over which he or she may have control . . . . Provided, however, That nothing herein shall be construed to prohibit a member of the Legislature from entering into a contract with any governmental body, or prohibit a part-time appointed public official from entering into a contract which the part-time appointed public official may have direct authority to enter into or over which he or she may have control when the official has not participated in the review or evaluation thereof, has been recused from deciding or evaluating and has been excused from voting on the contract and has fully disclosed the extent of his or her interest in the contract

W. Va. Code § 6B-2-5(d)(2) states, in relevant part:

In the absence of bribery or a purpose to defraud, an elected or appointed public official or public employee or a member of his or her immediate family or a business with which he or she is associated shall not be considered as having a prohibited financial interest in a public contract when such a person has a limited interest as an owner, shareholder or creditor of the business which is awarded a public contract. A limited interest for the purposes of this subsection is: (A) An interest which does not exceed one thousand dollars in the profits or benefits of the public contract or contracts in a calendar year. . . .

W. Va. Code § 6B-2-5(d)(3) states, in relevant part:

If a public official or employee has an interest in the profits or benefits of a contract, then he or she may not make, participate in making, or in any

way attempt to use his office or employment to influence a government decision affecting his or her financial or limited financial interest. Public officials shall also comply with the voting rules prescribed in subsection (j) of this section.

W. Va. Code § 6B-2-5(d)(4) states, in relevant part:

Where the provisions of subdivisions (1) and (2) of this subsection would result in the loss of a quorum in a public body or agency, in excessive cost, undue hardship, or other substantial interference with the operation of a state, county, municipality, county school board or other governmental agency, the affected governmental body or agency may make written application to the Ethics Commission for an exemption from subdivisions (1) and (2) of this subsection.

### **Opinion**

The West Virginia Ethics Act, at W. Va. Code § 6B-2-5(d)(1), prohibits public officials from having a financial interest in a contract over which they exercise "direct authority or control." The applicability of the prohibition to the Requester in this instance hinges on Mr. Farrell's dual roles as both Mayor and a member of the HSU board.

### **Mayor**

Under Huntington's strong mayor form of government, Mayor Farrell is not a part of Huntington's governing body nor does he vote. However, the Huntington City Charter grants him veto power. While the Ethics Commission has not issued an advisory opinion on whether veto power gives an executive public official direct authority or control over agency contracts, the Commission finds that veto power alone gives the Mayor the requisite authority or control over all city contracts. A single individual with executive veto power can wield authority equal to or greater than that of the legislative or

governing body. This power enables the executive to block or modify the actions that have already received majority approval from the governing body.

[Advisory Opinion 2015-05](#), offers a related but separate ruling: a city council member may maintain a lease agreement with the city's building commission, provided the member neither serves on the building commission nor takes part in appointing its members. Advisory Opinion 2015-05 is distinguishable here because the mayor position in Huntington serves on the HSU board as chairperson (as required by law). Consequently, by virtue of his position as Mayor, Farrell has sufficient authority and control over the contract for a submersible water pump with SPS, a company that he owns and in which he has a clear financial interest.

### **HSU Board member**

As a member of the HSU, Mr. Farrell has one of three votes on matters that come before the board, giving him and the other board members the requisite direct authority and control over the contracts held by HSU. See [Advisory Opinion 2013-24](#).

It should be noted that there is an exception for *appointed* part-time board members in W. Va. Code § 6B-2-5(d)(1). This exception allows them to hold contracts with the board on which they serve under certain conditions. However, this exception does not apply to Mayor Farrell as he was not appointed to the HSU, but instead, he serves as a member pursuant to law. In other words, he was not appointed to the position as he is required to serve as the chairperson of the HSU as a mayoral duty. He was elected and not appointed as mayor.

### **Contract Exemption**

The Commission may grant an exemption to this prohibition if the requesting governmental entity demonstrates that the prohibition would cause "undue hardship, excessive cost or substantial interference with its operation." The entity must also show it exercised due diligence to ensure a full and fair opportunity for all interested businesses to compete.

In this case, the HSU exercised due diligence by seeking competitive bids from three regional vendors known to sell the specialized equipment required. This process resulted in a bid from SPS that is more than 50% lower than the next available option. Awarding the contract to the second-lowest bidder would impose an excessive cost of \$15,443 on the HSU and its fee payers—a sum that is greater than the total cost of the pump itself.

This situation is consistent with the Commission's reasoning in [Advisory Opinion 2013-13](#), which addressed a county commission's request for a contract exemption:

At minimum, any contract exemption request should include information reflecting the totality of bidders considered and the basis for the County Commission's conclusion that the other bidders are unacceptable. It must consider this matter during a properly noticed public meeting and the Requester must recuse himself from the discussion and vote. Further, the Requester during and outside of meetings, may not attempt to influence the County Commission's decision regarding the decision to seek a contract exemption.

In [Contract Exemption 2026-04](#), the Commission granted an exemption to a city council member to contract for city demolition work where the bid by the council member's business amounted to a savings of around \$4,000 per structure compared to the next lowest bid.

The HSU has further shown that Mayor Farrell has consistently recused himself from HSU meetings involving the type of equipment his company sells and has implemented internal firewalls to separate his public duties from his private business interests.

**Therefore, the Ethics Commission grants a contract exemption to the Huntington Stormwater Utility to contract with Service Pump & Supply Co., Inc., which is owned by Huntington Mayor Patrick Farrell, to supply a submersible water pump on the following terms:**

This Contract Exemption is effective for this transaction only.

Mr. Farrell must recuse himself from decisions, discussions, and votes relating to the contract and payment for services. He must follow the restrictions in W. Va. Code § 6B-2-5(j). For recusal to be proper, he must first fully disclose on the record his disqualifying interest and leave the room during the discussion, deliberation, and vote on the matter. In addition, the minutes or record of the meeting must reflect the basis for the recusal and that Mr. Farrell left the room during all consideration, discussion, and vote on the contract and payment for his services. W. Va. Code § 6B-2-5(j)(3).

*The Commission notes that exemptions must be granted on a case-by-case basis. Therefore, this Contract Exemption is limited to the facts and circumstances of this particular case and may not be relied upon as precedent by other persons or entities.*

/s/ Robert J. Wolfe  
Robert J. Wolfe, Chairperson  
West Virginia Ethics Commission