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Suggested Form

TENNESSEE RESOLUTION
ETHICS COMMISSION

Whereas, Section 3 of Public Chapter No. 405 of the Tennessee Public Acts provides that a [utility district] [water, wastewater or gas authority] has the power to adopt ethical standards for its officials and employees;

Whereas, Section 3 of Public Chapter No. 405 of the Tennessee Public Acts directed the Tennessee Association of Utility Districts (TAUD) to prepare a model of ethical standards for the employees of utility districts and of water, wastewater and gas authorities in Tennessee and to submit such model of ethical standards to the Utility Management Review Board (UMRB) for its approval;

Whereas, a utility district or water, wastewater or gas authority cannot adopt the TAUD model of ethical standards until the TAUD model is approved by the UMRB;

Whereas, the UMRB approved the TAUD model of ethical standards by Order dated August 2, 2007; and

Whereas, the [Calhoun-Charleston Utility District] [_____ Authority] desires to adopt the TAUD model of ethical standards approved by the UMRB for the officials and employees of [Calhoun-Charleston Utility District] [_____ Authority].

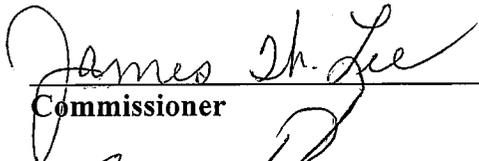
Wherefore, Premises Considered, Be It Hereby Resolved by the Board of [Commissioners] [Directors] that [Calhoun-Charleston Utility District] [_____ Authority] adopts the TAUD model of ethical standards for officials and employees of utility districts and water, wastewater and gas authorities as the ethical standards for the officials and employees of [Calhoun-Charleston Utility District]

[_____ Authority] effective immediately and that the [President] [Chairman] of the Board is directed to write a letter to the Tennessee Ethics Commission to inform the Commission that the [Calhoun-Charleston Utility District] [_____ Authority] has adopted the TAUD model of ethical standards and shall enclose a copy of this Resolution with such letter showing the date of the adoption of the TAUD model of ethical standards. Attached to this Resolution are the ethical standards adopted for [Calhoun-Charleston Utility District] [_____ Authority] using the TAUD model of ethical standards.

Dated this 26 day of November, 2007.



Commissioner



Commissioner



Commissioner

Now that the UMRB has approved the TAUD model of ethical standards, your utility has the right to adopt ethical standards for its officials and employees. Upon the adoption of ethical standards by the utility's governing board, the utility's officials and employees will no longer will subject to the ethical standards adopted by the county in which the utility has the most customers. In deciding the ethical standards which a utility wants to adopt for its officials and employees, the utility's governing board has three options under the Act:

(1) The utility's governing board may adopt the TAUD model of ethical standards approved by the UMRB. If the utility chooses to adopt the TAUD model, the utility may use the enclosed Resolution to adopt the TAUD model of ethical standards for the utility's officials and employees. After the Resolution is adopted, a letter must be written to the Tennessee Ethics Commission to inform the Tennessee Ethics Commission that the utility has adopted the TAUD model of ethical standards and the date of the adoption of the TAUD model. A draft of a letter to the Tennessee Ethics Commission informing the Commission of the adoption of the TAUD model is enclosed for your use.

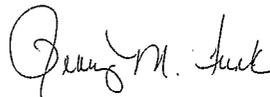
(2) The utility's governing board may adopt its own ethical standards for the utility's officials and employees, but such ethical standards must be more stringent than the TAUD model. If the utility adopts its own ethical standards, the ethical standards so adopted must be submitted to the UMRB for its approval, and the UMRB will only approve such ethical standards provided it finds the ethical standards are more stringent than the TAUD model. After the UMRB approves the utility's ethical standards which are more stringent than the TAUD model, the utility must file a copy of its ethical standards with the Tennessee Ethics Commission. If a utility chooses to adopt its own ethical standards, the utility will continue to be subject to the ethical

standards of the county in which the utility has the most customers until the ethical standards adopted are approved by the UMRB. Because the UMRB generally meets every other month, a utility which decides to adopt its own ethical standards will continue to be subject to such county ethical standards for several months.

(3) The utility's governing board may elect not to adopt ethical standards for the utility. In the event no action is taken, the utility will continue to be governed by the ethical standards adopted by the county commission for county officials and employees in the county in which the utility has the greatest number of customers.

If you have any questions about the adoption of the TAUD model for ethical standards or about the utility's choices in adopting ethical standards, please call John Hall at TAUD at (931)-607-1014 or e-mail: johnhall@taud.org.

Sincerely yours,



Penny M. Funk
Interim Executive Director

TO TENNESSEE ETHICS COMMISSION ON ADOPTION OF TAUD MODEL OF
ETHICAL STANDARDS

Tennessee Ethics Commission
SunTrust Bank Building
201 4th Avenue North, Suite 1820
Nashville, TN 37243

Re: Adoption of Model Ethical Standards of the Tennessee Association of Utility
District by [Calhoun-Charleston Utility District] [_____
Authority]

Dear Ethics Commission

I am writing you as [President] [Chairman] of the Board of [Commissioners] [Directors]
of [Calhoun-Charleston Utility District] [_____ Authority] to inform you that
_____ has adopted the model of ethical standards prepared by the Tennessee
Association of Utility Districts (TAUD) as the ethical standards for [Calhoun-Charleston
Utility District] [_____ Authority]. The TAUD model was adopted by the
Board of Commissioners on Nov. 26, 2007. I have enclosed a copy of the Board's
Resolution adopting the TAUD model.

Thank you for your assistance in this matter.


Sincerely yours,