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January 31, 2008

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 the First Utility District

Dear Sir or Madam:

I am writing you as the attorney for the Board of Commissioners of the First Utility District to inform you that the First Utility District has adopted the model of ethical standards prepared by the Tennessee Association of Utility Districts (TAUD) as the ethical standards for the First Utility District. The TAUD model was adopted by the Board of Commissioners on January 21, 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,


Tara C. Thomas

TCT/prh

Enclosure

cc: Bill McFadden
Larry Peters
Dale Colbough
Gene Ritchie

RESOLUTION

Whereas, Section 3 of Public Chapter No. 405 of the Tennessee Public Acts provides that a utility district 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 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

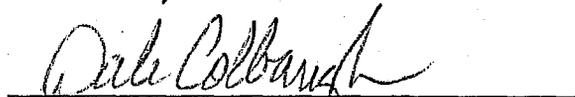
Whereas, the First Utility District of Carter County, Tennessee desires to adopt the TAUD model of ethical standards approved by the UMRB for the officials and employees of the First Utility District of Carter County.

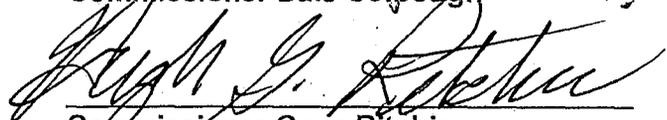
Wherefore, Premises Considered, Be It Hereby Resolved by the Board of Commissioners that the First Utility District of Carter County adopts the TAUD model of ethical standards for officials and employees of the utility districts and water, wastewater and gas authorities as the ethical standards for the officials and employees of the First Utility District of Carter County effective immediately and that the President of the Board of Commissioners is directed to write a letter to the Tennessee Ethics Commission to inform the Commission that the First Utility District of Carter County 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 the First Utility District of Carter County using the TAUD model of ethical standards.

Dated this 21 day of January, 2008


Commissioner Larry Peters


Commissioner Dale Colbough


Commissioner Gene Ritchie