

HVUD
HARPETH VALLEY
UTILITIES DISTRICT

September 24, 2007

RECEIVED
2007 OCT -1 PM 12:55
TENNESSEE
ETHICS COMMISSION

Tennessee Ethics Commission
SunTrust Bank Building
201 Fourth Avenue North
Suite 1820
Nashville, Tennessee 37243

Re: ADOPTION OF MODEL ETHICAL STANDARDS OF THE TENNESSEE ASSOCIATION OF UTILITIES DISTRICTS BY HARPETH VALLEY UTILITIES DISTRICT OF DAVIDSON AND WILLIAMSON COUNTIES, TENNESSEE

Dear Sir or Madam:

I am writing you as President of the Board of Commissioners of Harpeth Valley Utilities District of Davidson and Williamson Counties, Tennessee (HVUD) to inform you that HVUD has adopted the model of ethical standards prepared by the Tennessee Association of Utility Districts (TAUD) as the ethical standards for HVUD. The TAUD model was adopted by the Board of Commissioners on September 24, 2007. I have enclosed a copy of the Board's Resolution adopting the TAUD model.

Thank you for your assistance in this matter.

Sincerely,

HARPETH VALLEY UTILITIES DISTRICT OF DAVIDSON AND WILLIAMSON COUNTIES, TENNESSEE



Walter E. Sears, Commissioner

WES:Ltr re Ethical Standards.wpd

Enclosure: Resolution

**BEFORE THE BOARD OF COMMISSIONERS OF THE HARPETH VALLEY UTILITIES
DISTRICT OF DAVIDSON AND WILLIAMSON COUNTIES, TENNESSEE**

RESOLUTION

ETHICAL STANDARDS

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 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, Harpeth Valley Utilities District of Davidson and Williamson Counties desires to adopt the TAUD model of ethical standards approved by the UMRB for the officials and employees of Harpeth Valley Utilities District of Davidson and Williamson.

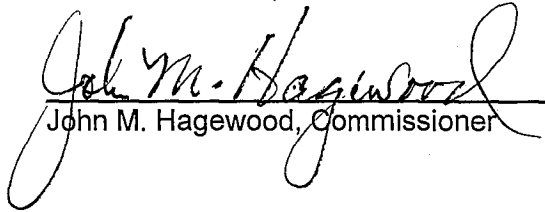
NOW, THEREFORE, premises considered, be it hereby resolved by the Board of Commissioners that Harpeth Valley Utilities District of Davidson and Williamson Counties adopts the TAUD model of ethical standards for officials and employees of utility districts and water, wastewater and gas authorities as the ethical standards for the officials and employees of the Harpeth Valley Utilities District of Davidson and Williamson Counties effective immediately and that the President of the Board is directed to write a letter to the Tennessee Ethics Commission to inform the Commission

that Harpeth Valley Utilities District of Davidson and Williamson 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 Harpeth Valley Utilities District of Davidson and Williamson Counties using the TAUD model of ethical standards.


Adopted and approved this 24th day of September, 2007.


Walter E. Sears, Commissioner


Dolores H. Carter, Commissioner


John M. Hagewood, Commissioner

Attest:


Dolores H. Carter, Secretary

CODE OF ETHICS

HARPETH VALLY UTILITIES DISTRICT OF DAVIDSON AND WILLIAMSON COUNTIES, TENNESSEE

SECTION 1. DEFINITIONS.

- (1) "Board of Commissioners" means the governing board of a utility district.
- (2) "Officials and employees" means and includes any official, whether elected or appointed, officer, employee or servant (whether compensated or not) of the utility district.
- (3) For the purpose of the disclosure of personal interests in accordance with this Code of Ethics, "personal interest" means a financial interest of the official or employee, or a financial interest of the official's or employee's spouse or child living in the same household, in the matter to be voted upon, regulated, supervised, or otherwise acted upon in an official capacity.

SECTION 2. DISCLOSURE OF PERSONAL INTEREST IN VOTING MATTERS. An official or employee with the responsibility to vote on a measure shall disclose during the meeting at which the vote takes place, before the vote and to be included in the minutes, any personal interest that affects or that would lead a reasonable person to infer that it affects the official's or employee's vote on the measure. In addition, the official or employee may, to the extent allowed by law, recuse himself or herself from voting on the measure.

SECTION 3. DISCLOSURE OF PERSONAL INTEREST IN NON-VOTING MATTERS. An official or employee who must exercise discretion relative to any matter other than casting a vote and who has a personal interest in the matter that affects or that would lead a reasonable person to infer that it affects the exercise of the discretion shall disclose, before the exercise of the discretion when possible, the interest on the attached disclosure form and file the disclosure form with the Board of Commissioners. In addition, the official or employee may, to the extent allowed by law, recuse himself or herself from the exercise of discretion in the matter.

SECTION 4. ACCEPTANCE OF GIFTS AND OTHER THINGS OF VALUE. An official or employee, or an official's or employee's spouse or child living in the same household, may not accept, directly or indirectly, any gift, money, gratuity, or other consideration or favor of any kind from anyone other than the utility:

- (1) For the performance of an act, or refraining from performance of an act, that he would be expected to perform, or refrain from performing, in the regular course of his duties; or
- (2) That a reasonable person would understand was intended to influence the vote, official action or judgment of the official or employee in executing utility business.

SECTION 5. ETHICS COMPLAINTS. Questions and complaints regarding violations of this Code of Ethics or of any violation of state law governing ethical conduct should be directed to the President of the Board of Commissioners of the utility district. If a question or complaint involves the President of the utility district's Board, the question or complaint should be directed to the Secretary of the Board of Commissioners. Complaints shall be in writing and signed by the person lodging the complaint and shall set forth in reasonable detail the facts upon which the complaint is based.

The President or Secretary of the Board of Commissioners shall direct the utility district's retained attorney to investigate any credible complaint against an official or employee charging any violation of this Code of Ethics and may request a legal opinion or recommendation for action. The utility district's attorney may request the Board of Commissioners to hire another attorney to conduct the investigation or to give a legal opinion or recommendation when he or she has or will have a conflict of interest on a particular complaint. The investigating attorney shall report the results of his or her investigation and any legal opinion or recommendation requested to the utility district's Board of Commissioners. If a member of the Board of Commissioners is the subject of a complaint, such member shall recuse himself or herself from all proceedings involving such a complaint. The Board of Commissioners may:

- (1) in the case of a member of the Board of Commissioners, publicly censure such member if the Board of Commissioners finds such action warranted;
- (2) in the case of a member of the Board of Commissioners, report the complaint and actions taken by the Board to the Utility Management Review Board;
- (3) in the case of an employee, refer the matter to the official responsible for supervision of the employee for possible disciplinary action if the official finds discipline warranted; or
- (4) in a case involving possible violation of state statutes, refer the matter to the district attorney for possible ouster or criminal prosecution.

The interpretation of reasonable person in the circumstances shall be used in interpreting and enforcing this Code of Ethics. When a violation of this Code of Ethics constitutes a violation of a utility district's personnel policy, the violation shall be dealt with as a violation of the personnel policy rather than as a violation of this Code of Ethics.

SECTION 6. APPLICABLE STATE LAWS. In addition to the ethical principles set out in this Code of Ethics, state laws also provide a framework for the ethical behavior of utility district officials and employees in the performance of their duties. Officials and employees should familiarize themselves with the state laws applicable to their office or position and the performance of their duties. To the extent that an issue is addressed by state law (law of general application, public law of local application, local option law, or private act), the provisions of that state law, to the extent they are more restrictive, shall control. Following is a brief summary of selected state laws concerning ethics for utility district officers and employees. For the full text of these statutes, see the Tennessee Code Annotated (T.C.A.) sections indicated.

Campaign finance—T.C.A. Title 2, Chapter 10. Part One (campaign financial disclosure) requires candidates for public office to disclose contributions and contributors to their campaigns. Part Three (campaign contribution limits) limits the total amount of campaign contributions a candidate may receive from an individual and sets limits on the amount a candidate may receive in cash.

Conflict of interest—T.C.A. §12-4-101 is the general conflict of interest statute that applies in all counties. It prohibits anyone who votes for, lets out, or in any manner supervises any work or contract from having a direct financial interest in that contract, purchase or work, and it requires disclosures of indirect financial interests by public acknowledgement.

Conflict of interest disclosure statements—T.C.A. §8-50-501 and the following sections require candidates and appointees to local public offices who are elected to file a disclosure statement with the state ethics commission listing major sources of income, investments, lobbying activities, professional services provided, bankruptcies, certain loans, and other information, and to keep these statements up to date.

Honoraria—T.C.A. §2-10-116 prohibits elected officials from accepting an honorarium (including money or anything of value, but not including reimbursement for actual expenses) for an appearance, speech, or article in their official capacity.

Crimes involving public officials—T.C.A. § 39-16-101 and the following sections prohibit bribery, soliciting unlawful compensation, and buying and selling in regard to offices.

Official misconduct—T.C.A. §39-16-402 applies to public servants and candidates for office and prohibits unauthorized exercise of official power, acting in an official capacity exceeding the servant's power, refusal to perform a duty imposed by law, violating a law relating to the servant's office or employment, and receiving a benefit not provided by law.

Official oppression—T.C.A. §29-16-403 prohibits abuse of power by a public servant.

Bribery for votes—T.C.A. §§2-19-121, 2-19-126, and 2-19-127 prohibit bribery of voters in elections.

Misuse of official information—T.C.A. §39-16-404 prohibits a public servant from attaining a benefit or aiding another person in attaining a benefit from information which was obtained in an official capacity and is not available to the public.

Ouster law—T.C.A. §8-47-101 sets out conduct that is punishable by ouster from office, including misconduct in office and neglect of duty.

Personnel not to benefit from water service agreements - T.C.A. § 7-82-310 prohibits utility district commissioners and employees from receiving money or other goods or services of value for the installation of water service within the utility district or the sale of materials to be installed within the utility district