



**CODE OF ETHICS**

**BOLIVAR ENERGY AUTHORITY, BOLIVAR, TENNESSEE**

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TENNESSEE  
ETHICS DIVISION

Section 1. Definitions.

- (1) "BEA" or "Authority" means Bolivar Energy Authority, as created and defined in Chapter No. 130, Private Acts, 2006, State of Tennessee.
- (2) "Officials and employees" means and includes any official, officer, employee or servant, or any member of any board, (whether compensated or not), or any officer, employee or servant thereof, of the authority.
- (3) "Personal interest" means, for the purpose of disclosure of personal interests in accordance with this Code of Ethics, 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 employees' 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 office manager of BEA. 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 authority:

- (1) For the purpose 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 with the authority; 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 authority business.

It shall not be considered a violation of this policy for an official or employee to receive entertainment, food, refreshments, meals, health screenings, amenities, door prizes, foodstuffs, or beverages that are provided in connection with a meeting sponsored by an established or recognized statewide, area wide, or national association of the electrical distributor officials or by an umbrella or affiliate organization of such statewide, area wide, or national association of electrical distributor officials.

Anything of nominal value shall be presumed not to constitute a gratuity under this policy provided that it is of a value of less than \$100.00 and that it is customary and routinely given by customers, suppliers or contractors and not exclusively to Bolivar Energy Authority. Meals shall not be considered to constitute a gratuity. Gifts of cash or cash equivalents, are strictly prohibited.

Exempt from these restrictions are:

Activities relating to organizations in which the authority is an owner, whether partial or in whole. These include but are not limited to CSA (Central Service Association), Utilicor, DIC (Distributors Insurance Corporation)

TVA. Since TVA is the authority's federally mandated regulatory agency, any transactions or interactions between TVA and BEA which are permissible under TVA's ethics policy shall be acceptable under BEA's ethics policy.

Section 5. Use of information. (1) An official or employee may not disclose any information obtained in his official capacity or position of employment that is made confidential under state or federal law except as authorized by law. (2) An official or employee may not use or disclose information obtained in his official capacity or position of employment with the intent to result in financial gain for himself or any other person or entity.

Section 6. Use of authority time, facilities, etc. (1) An official or employee may not use or authorize the use of authority time, facilities, equipment, or supplies for private gain or advantage to himself. (2) An official or employee may not use or authorize the use of authority time, facilities, equipment, or supplies for private gain or advantage to any private person nor entity, except as authorized by legitimate contract or lease that is determined by the governing body to be in the best interests of the authority.

Section 7. Use of position or authority. (1) An official or employee may not make or attempt to make private purchases, for cash or otherwise, in the name of the authority. (2) An official or employee may not use or attempt to use his position to secure any privilege or exemption for himself or others, that is not authorized by the charter, general law, or ordinance or policy of the authority.

Section 8. Outside employment. An official or employee may not accept or continue any outside employment if the work unreasonably inhibits the performance of any affirmative duty of the authority position or conflicts with any provision of the authority's policies.

Section 9. Elected or appointed public office. Unless permitted by state or federal law or prior written approval from the Board, any employee that wishes to accept or seek nomination, election, or appointment to public office at the federal, state, or local level, shall take an unpaid leave of absence from Bolivar Energy Authority employment, which shall not be unreasonably withheld. Upon election or appointment, the employee shall promptly resign from Bolivar Energy Authority employment. Public office is defined as an elected government office or position or an office or position appointed by an elected official or by a governmental body. Employees may serve on appointed public boards if such service is in the best interest of Bolivar Energy Authority and is approved in writing by the President prior to the appointment.

Section 10. Political Activity. Employees are encouraged to exercise their rights as citizens to vote in local, state and federal elections. Because Bolivar Energy Authority is a public entity, its employees must not allow their political activity to damage the efficiency or effectiveness of Bolivar Energy Authority delivery of utility to its ratepayers.

Section 11. References – Tennessee Code Annotated. Violations of this policy may also be violations of local, state or federal laws and may subject the official or employee to criminal prosecution and forfeiture of retirement benefits.

Applicable statutes include, but are not limited to the following:

- (1) T.C.A. §§6-54-107 and 12-4-101 generally prohibit any employee from having a direct or indirect interest in any entity that does business with BEA.
- (2) T.C.A. §8-35-124 provides that no state or local government employee shall receive a public retirement benefit if convicted of a felony arising out of the employee's employment, constituting a malfeasance (wrongdoing or misconduct) in office.

Section 12. Administration. Administration of this Policy is the responsibility of the Office Manager. Any person with a question or concern about this policy or its interpretation shall seek guidance from his/her supervisor/manager or through the Office Manager. Any person who knows of a potential violation shall report the information promptly to the Office Manager, BEA.

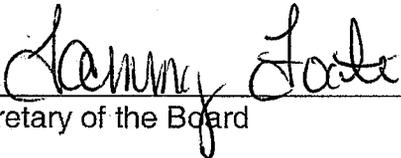
Reports of potential violations may be made through phone, e-mail or personal contact either directly or anonymously. When making an inquiry or report, sufficient detail should be provided to explain the nature of the inquiry or concern. Each allegation will

be investigated to determine if a violation has occurred. The results of the investigation will be reported to the President.

Section 13. Discipline. The penalties for violating this Policy shall include disciplinary action up to and including termination.

Section 14. Conclusion. This policy does not cover, and is not intended to identify or delimit, all possible circumstances that could present a conflict of interest. Rather, it should be used as a guideline for employee behavior. BEA expects its employees to exercise good judgment in their interactions with customers, vendors, suppliers or other parties doing business or seeking to do business with BEA. Similarly, employees are expected to apply good judgment to any outside employment or activities that could or might reflect on BEA. If questions or concerns arise, employees should discuss the matter with their supervisor, manager or Office Manager.

Approved this 24 day of May, 2007.

  
Secretary of the Board

  
General Manager/CEO/President

**BOLIVAR ENERGY AUTHORITY CODE OF ETHICS**  
**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

**Instructions:** This form is for reporting personal interest required to be disclosed under Section 3 of the Code of Ethics of this authority. Officials and employees are required to disclose personal interest in matters that affect or would lead a reasonable person to infer that it would affect the exercise of discretion of an official or employee.

1. Date of disclosure: \_\_\_\_\_
  
2. Name of official or employee: \_\_\_\_\_
  
3. Office and position: \_\_\_\_\_
  
4. Description of personal interest (describe below in detail):

\_\_\_\_\_  
Signature of official or employee

\_\_\_\_\_  
Witness signature

**RESOLUTION**

**TO ADOPT A CODE OF ETHICS FOR OFFICIALS AND EMPLOYEES  
OF BOLIVAR ENERGY AUTHORITY**

WHEREAS, Section 49 of the Comprehensive Governmental Ethics Reform Act of 2006, 2006 Public Chapter 1 (1<sup>st</sup> Ex. Sess.), (the "Ethics Reform Act") requires governmental bodies to adopt certain ethical standards by resolution on or before June 30, 2007; and

WHEREAS, the Bolivar Energy Authority officials have prepared a proposed Code of Ethics in compliance with the Ethics Reform Act; and

WHEREAS, Bolivar Energy Authority desires to adopt said proposed Code of Ethics as the Code of Ethics for Bolivar Energy Authority;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Bolivar Energy Authority meeting in regular session at Bolivar, Tennessee, on this the 29<sup>th</sup> day of May, 2007, that:

SECTION 1. The proposed Code of Ethics for Bolivar Energy Authority, a copy of which is attached to this resolution is hereby adopted as the Code of Ethics for Bolivar Energy Authority.

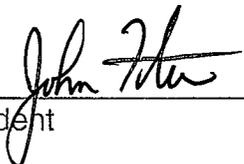
SECTION 2. Upon approval of this resolution, the Secretary of the Board of Directors of Bolivar Energy Authority is directed to:

- (a) Mail a copy of this resolution to the State Ethics Commission; and
- (b) Mail or personally deliver a copy of this resolution and the attached Code of Ethics to each member of the Board of Directors of Bolivar Energy Authority, and each officer of Bolivar Energy Authority.
- (c) Post a copy of the Code of Ethics on each public bulletin board in the Bolivar Energy Authority building.

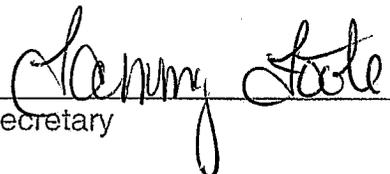
SECTION 3. This resolution shall take effect upon its passage and approval, the public welfare requiring it.

ADOPTED this 29<sup>th</sup> day of May, 2007.

APPROVED:

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary