

BROWNSVILLE ENERGY AUTHORITY

ELECTRIC / GAS / WATER / WASTEWATER

25 NORTH LAFAYETTE • P.O. BOX 424 • BROWNSVILLE, TENNESSEE 38012 • 731-772-8845

RECEIVED
2009 JUL 15 AM 9:03
TENNESSEE
ETHICS COMMISSION

July 13, 2009

Mr. Barry Woody
State of Tennessee
Tennessee Ethics Commission
SunTrust Bank Building
201 4th Avenue, North, Suite 1820
Nashville, Tennessee 37243

Dear Mr. Woody:

Please find enclosed a copy of the Ethics Policy that our Board approved on July 7, 2009.

If you should have any questions, please feel free to contact us.

Sincerely,



Regie Castellaw, General Manager
BROWNSVILLE ENERGY AUTHORITY

**Brownsville Energy Authority
Code of Ethics**

The intent of this policy is to assist members of the Board of Directors, Officers, and employees of the Brownsville Energy Authority in avoiding a real or perceived conflict of interest, establish guidelines regarding the acceptance of gifts, promote integrity in our business conduct, and help achieve BEA's mission and vision. Within the context of this policy, the term employee applies to all members of the Board of Directors, officers and employees.

RECEIVED
2009 JUL 15 AM 9:03
ETHICS COMMISSION

1. Conflicts of Interest

A conflict of Interest occurs when an employee engages in an activity which appears incompatible with the performance of the employee's responsibilities or impairs the employee's judgment or action. An employee should avoid either an actual conflict of interest or the appearance of a conflict of interest in the performance of their duties. For the purpose of this Code of Ethics, "personal interest" means any financial, ownership, or employment interest of the employee, or a financial interest of the employee's spouse, parent(s), stepparent(s), grandparent(s), sibling(s), child(ren), or stepchild(ren).

2. Disclosure of Conflicts of Interest

(a) An employee with the responsibility to vote on a measure and having a personal interest in such shall disclose during the meeting at which the vote takes place, before the discussion and vote and so it appears in the minutes, any personal interest that affects or would lead a reasonable person to infer that it affects the employee's vote on the measure. The employee should refrain from any discussion on this matter and abstain from voting.

(b) In all other non-voting circumstances, where an employee has a personal interest in the matter that affects or would lead a reasonable person to infer that it affects the exercise of discretion shall disclose the potential conflict of the General Manager or the BEA attorney. In addition, the employee may, to the extent allowed by law, charter, ordinance, or policy, recuse himself from participating in the matter.

3. Acceptance of Gifts and Other Items of Value

(a) 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 BEA; 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.

(b) It shall not be considered a violation of this policy for an official or employee to receive entertainment, food, refreshments, meals, health screening, 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 municipal distributor officials or by an umbrella or affiliate organization of such statewide, area wide or national association of municipal distributor officials.

(c) 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 Brownsville Energy Authority. Meals shall not be considered to constitute a gratuity. Gifts of cash or cash equivalents are strictly prohibited.

(d) Exempt from these restrictions are:
Activities relating to organizations in which the utility is an owner, whether partial or in whole. These include but are not limited to CSA (Central Service Association), WTIA (West Tennessee Industrial Association), Tennergy, Utilicor, or any other utility association or organization that the BEA is a member of.

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

4. Use of Information, Time, Property, and Other Assets

An 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. An employee may not use or disclose information obtained from his official capacity or position of employment with the intent to result in financial gain for himself or any other person or entity.

5. Use of Position or Authority

An employee may not make or attempt to make private purchases, for cash or otherwise, in the name of Brownsville Energy Authority. An employee may not use or attempt to use his position to secure any privilege or exemption for himself or others that are not authorized by the charter, general law, or policy of Brownsville Energy Authority.

6. Ethics Complaints

(a) Administration of this policy is the responsibility of the General Manager of the Brownsville Energy Authority. Upon the request of an employee potentially affected by this Code of Ethics, the General Manager may request the Board Attorney to render an oral or written advisory ethics opinion based upon this Code or any applicable law. Requests should be made in writing to the General Manager or his designee. When making the report, sufficient detail should be provided to explain the nature of the inquiry or concern.

(b) The General Manager and/or the Board Attorney shall investigate any credible complaint against an employee charging any violation of this Code. The General Manager and/or the Board Attorney may undertake an investigation when information is acquired indicating a possible violation and make recommendations for action to end or seek retribution for any activity that, in the General Manager or Board Attorney's judgment, constitutes a violation of this Code of Ethics.

(c) The General Manger and/or the Board Attorney may request that Brownsville Energy Authority hire another attorney, individual, or entity to act as ethics officer when he has or will have a conflict of interest in a particular matter.

(d) When a complaint of a violation of any provision of this chapter is lodged against a member of Brownsville Energy Authority's Board of Directors, the Board of Directors shall either determine that the complaint has merit, determine that the complaint does not have merit, or determine that a complaint warrants further investigation, it shall authorize an investigation by the Board Attorney or another individual or entity chosen by the Board of Directors.

7. Violations

An employee who violates any provision of this Code is subject to disciplinary action.

8. Applicable State Laws

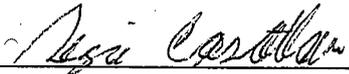
Following is a brief summary of selected state laws concerning ethics in government. These laws were in effect at the origination of this Code of Ethics; however, this list may not be complete, these laws may be amended, or new laws may be enacted by the state government. For the full text of these statutes, see the Tennessee Code Annotated (T.C.A.) sections indicated. 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.

Conflict of interest – T.C.A. 6-54-107 and 12-4-101
Conflict of interest – T.C.A. 5-1-125
Conflict of interest – T.C.A. 5-14-114
Conflict of interest – T.C.A. 5-21-121
Gifts – T.C.A. 5-14
Gifts – T.C.A. 5-21-121
Free statutes – T.C.A. 8-21-101, 8-21-102, and 8-21-103
Crimes involving public officials – T.C.A. 39-16-101
Official misconduct – T.C.A. 39-16-402
Official oppression – T.C.A. 39-16-403
Misuse of official information – T.C.A. 39-16-404
Ouster law – T.C.A. 8-47-101
Loss of retirement benefit – T.C.A. 8-35-124

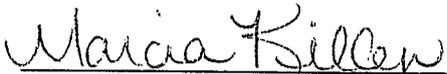
9. Conclusion

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. Brownsville Energy Authority 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 Brownsville Energy Authority. Similarly, employees are expected to apply good judgment to any outside employment or activities that could or might reflect on Brownsville Energy Authority. If questions or concerns arise, employees should discuss the matter with their supervisor, or General Manager.

Approved this 7th day of July, 2009.



General Manager



Secretary of the Board

(July 6, 2009)