

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

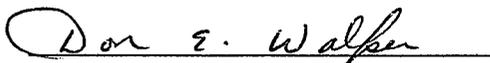
Re: Adoption of Model Ethical Standards of the Tennessee Association of Utility
District by Cagle-Fredonia Utility District Water Authority

Dear Commission:

I am writing you as Chairman of the Board of Commissioners of Cagle-Fredonia Utility District Water Authority to inform you that the Utility District has adopted the model of ethical standards prepared by the Tennessee Association of Utility Districts (TAUD) as the ethical standard for Cagle-Fredonia Utility District Water Authority. 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 yours,



Don Walker

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TENNESSEE
ETHICS COMMISSION

RESOLUTION

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 District (TAUD) to prepare a mode of ethical standards for the employees of utility district 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;

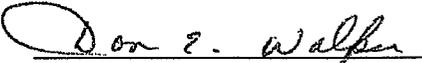
Whereas, a utility district or water, wastewater or gas authority cannot adopt the TAUD model of ethical standards until the TAUD model is approved by the UMRB;

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

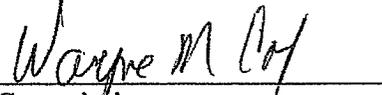
Whereas, the Cagle-Fredonia Utility District Water Authority desires to adopt the TAUD model of ethical standards approved by the UMRB for the Officials and employees of Cagle-Fredonia Utility District Water Authority.

Wherefore, Premises Considered, Be It Hereby Resolved by the Board of Commissioners that Cagle-Fredonia Utility District Water 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 Cagle-Fredonia Utility District Water Authority effective immediately and that the Chairman of the Board is directed to write a letter to the Tennessee Ethics Commission to inform the Commission that the Cagle-Fredonia Utility District Water 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 Cagle-Fredonia Utility District Water Authority using the TAUD model of ethical standards.

Dated this 24th day of September 2007.


Commissioner


Commissioner


Commissioner