

CODE OF ETHICS

WATER AUTHORITY OF DICKSON COUNTY

Section 1. Scope.

1.1. This code of ethics shall apply to all persons who are officials or employees Water Authority of Dickson County.

1.2. Every person who is an official and employee of Water Authority of Dickson County shall by such person's acceptance or continuance in such office or employment be deemed to have consented to the application to such person of those portions of this code which apply to conduct of such person's spouse, employee(s), family member(s), or other third parties, as applicable.

Section 2. Definitions.

Unless the context plainly indicates a contrary intent, the following expressions shall have the meanings set forth in this section.

2.1. The "Act" shall refer collectively and severally to any or all provisions of 1990 Private Acts ch. 124 and/or 2001 Private Acts ch. 51.

2.2. An "action" shall, in addition to an affirmative action, also include a failure or refusal to act.

2.3. The "Authority" shall refer to Water Authority of Dickson County, a public and governmental entity organized and existing under and by virtue of the Act.

2.4. "Board" shall refer to the board of commissioners established by the Act to function as the Authority's governing body.

2.5. The "code" shall refer to this code of ethics and to all provisions of federal or state law which apply to actions within the scope hereof.

2.6. "Confidential information" shall mean any information, plans, specifications, documents, or other tangible or intangible materials generated by any person and in the Authority's possession, and which evidence any plans, intentions, prospects, processes, or other information that is not generally available to members of the public or which would be considered proprietary or otherwise sensitive business information by the person to whom such information pertains, including but not limited to -

2.6.1. any information or inquiry provided or submitted by any third party to the Authority with respect to such third party's planned, proposed, or contemplated acquisition,

development, or improvement of any item or parcel of real or personal property;

2.6.2. any information or inquiry provided or submitted by any third party to the Authority with respect to such third party's business plans or prospects;

2.6.3. any plans or specifications submitted by the Authority to any federal or state agency, office, or authority for approval of any capital improvement project contemplated by the Authority;

2.6.4. any draft or other preliminary reports or other documents which pertain to the Authority's service or business development plans, including but not limited to the location, size, specifications, and/or capacity of any planned or proposed water or wastewater transmission line to be constructed in the future, or any fixture, fitting, or equipment used or to be used in connection therewith;

2.6.5. any planned acquisition in fee simple by the Authority of any tract or parcel of real property;

2.6.6. any information or materials which are not required to be disclosed by the provisions of Tenn. Code Ann. §§ 10-7-503 – 505 inclusive; and,

2.6.7. any other information or materials, tangible or intangible, which relate to the business or personal affairs of any third party and which a reasonable person would view as being non-public information with respect to such person.

2.7. "Ethics officer" shall refer to the individual or individuals appointed by the board from time to time to fulfill the duties prescribed in Section 6 of this code.

2.8. A person's "family" shall include such person, such person's spouse, and any person residing as a member of such person's household.

2.9. A "financial interest" in a matter or transaction shall mean an interest in such matter or transaction which is monetary in character. A person's "financial interests" shall be deemed to include, but not be limited to, the following:

2.9.1. any relationship to the subject of the matter or transaction which would be prohibited by the provisions of Tenn. Code Ann. § 12-4-101(a);

2.9.2. any relationship to the subject of the matter or transaction which would be conditionally prohibited by the provisions of Tenn. Code Ann. § 12-4-101(b);

2.9.3. a contract between the Authority and any juridical entity or trust in which such person owns or controls more than ten percent (10%) of the voting power or rights to capital or profits; and,

2.9.4. a matter or transaction in which a valuable benefit is or may be

received by such person by reason of the Authority's acting or refraining from acting, unless such benefit is common to all or substantially all of the Authority's customers affected by such act or failure to act.

A person's financial interests shall be deemed to include all financial interests of such person's family.

2.10. An "official or employee" shall refer to any person who –

2.10.1. occupies any office or position established by any provision of the Act;

2.10.2. is employed, whether part-time or full-time, as an employee of the Authority; and,

2.10.3. is engaged by the Authority to perform any professional service for the Authority, whether on a continuing or on an *ad hoc* basis.

2.11. A "reasonable person" shall refer to a person of average or higher intelligence, forming an independent opinion with respect to a matter within the scope of such person's experience and competence, and in possession of all relevant information with respect to such matter.

Section 3. Disclosure of Financial Interests.

3.1. **Matters on Which a Vote is Taken.** Any member of the board who has a financial interest in a matter or transaction which is to be the subject of a vote of the board shall disclose the existence and nature of such financial interest at the meeting of the board at which such vote is to be taken and prior to the taking of such vote. Such disclosure shall be recorded in the minutes of such meeting. If required by the provisions of this code or of other applicable law, such board member shall abstain from voting with respect to such matter or transaction.

3.2. **Matters for Which no Vote is Taken.** Any official or employee who is authorized to exercise any discretionary function with respect to a matter or transaction other than a matter or transaction which is to be the subject of a vote of the board and who has a financial interest in such matter or transaction shall disclose the extent and nature of such financial interest prior to exercising any discretion with respect thereto. Such disclosure shall be in substantially the form set forth as Appendix A hereto, and shall be delivered to the Authority's executive director; or, if the person making such disclosure is the Authority's executive director, then such disclosure shall be delivered to the chairman of the board. If required by the provisions of this code or of other applicable law, such official or employee shall abstain from exercising discretion with respect to such matter or transaction.

Section 4. Acceptance of Gifts and Things of Value. No person who is an official or employee, nor any member of such official's or employee's family, may accept, directly or indirectly, any gift, gratuity, or other consideration or favor of any kind from any person other

than the Authority –

4.1. for such official's or employee's performance of an act, or refraining from the performance of an act, that such official or employee would otherwise be expected to perform or refrain from performing in the ordinary course of his or her duties with respect to the Authority; or

4.2. that a reasonable person would understand was intended to influence the vote, official action, or judgment of the official or employee in conducting the Authority's business.

Section 5. Use of Information.

5.1. Use of Confidential Information Prohibited. No official or employee of the Authority shall, directly or indirectly –

5.1.1. acquire, after such official or employee first acquires knowledge of such confidential information, any interest in the matter to which such confidential information pertains; or

5.1.2. seek to obtain for himself or for any other person any advantage or benefit from such official's or employee's possession or, or access to, confidential information which advantage or benefit is not common to the general body of the residents of the Authority's service area.

5.2. Dissemination of Confidential Information. Except as otherwise mandated by the provisions of Tenn. Code Ann. §§ 10-7-503 – 505 inclusive, no official or employee of the Authority shall –

5.2.1. disclose the subject matter or any portion of any confidential information submitted by any third party to the Authority for the Authority's review, comment, or approval;

5.2.2. disclose the existence or subject matter of confidential information to any person other than an official or employee of the Authority whose official duties place the subject matter thereof under such official's or employee's scope of duties; or,

5.2.3. disclose to any person other than the applicant the status of any application for any permit or approval required or permitted to be issued by the Authority.

5.3. Release of Confidential Information. Notwithstanding any other provision of this code, confidential information may be released –

5.3.1. with respect to an acquisition of real or personal property by the Authority, upon the consummation of such acquisition;

5.3.2. with respect to the Authority's construction of any capital improvement project for which approval or authorization by any agency or authority the State of Tennessee is required, upon the issuance of all such approvals or authorizations from the agency or authority issuing the same;

5.3.3. with respect to any long-term or strategic service or business development plan, or any phase or component thereof, upon the board's adoption, approval, or acceptance of such plan;

5.3.4. with respect to any confidential information provided to the Authority by any third party with respect to a proposed acquisition, development, or improvement of property by such third party, upon the first to occur of -

5.3.4.1. the issuance to such party of all building or other permits or approvals which are required with respect to any construction or other improvement contemplated by such acquisition, development, or approval; or

5.3.4.2. such party's formal or informal notification to the Authority that such third party has withdrawn such third party's applications for approval or such acquisition, development, or improvement, or has otherwise abandoned such party's plans with respect thereto; or,

5.3.5. as determined by the board on a case-by-case basis.

The board's decision to hold a public or other information meeting with respect to the subject matter of any information shall be deemed to constitute authorization for public release, after the completion of such meeting, of the information actually presented or discussed at such meeting.

Section 6. Ethics Officer.

6.1. Appointment. The board shall by resolution appoint one or more persons to be ethics officer(s), who shall have the duties and powers set forth in this code.

6.2. Duties. The ethics officer shall have the duty to -

6.2.1. receive all complaints and inquiries arising under this code from any person and to assign to each such complaint or inquiry a discrete identifying number;

6.2.2. maintain a central file of all such complaints and inquiries received;

6.2.3. refer all such inquiries and complaints received to the official designated hereby to investigate the same; and,

6.2.4. discharge such other duties as may be prescribed by the board from time to time.

Section 7. Ethics Complaints and Inquiries.

7.1. **Complaints.** Complaints in respect of actual or potential violations of this code shall be filed with the ethics officer. A complaint with respect to an alleged actual violation shall be in writing and signed by the person filing such complaint. Every complaint shall set forth in reasonably specific detail the facts upon which such complaint is based and shall attach, if available to the person filing such complaint, all documents evidencing any fact on which such person relies in the filing of such complaint.

7.2. **Investigation of Complaints.** Upon receipt of a facially valid complaint of a violation of this code, the ethics officer shall forward such complaint to the Authority's attorney for investigation. If the Authority's attorney shall be precluded by the provisions of Tenn. R. Sup. Ct. 8, Rules of Professional Conduct, from conducting such investigation or taking action as a result thereof, then the Authority shall engage an independent attorney to conduct such investigation. Any attorney conducting an investigation of an alleged violation of this code shall report the results of such investigation to the board, and shall, if requested, provide a recommendation for action to the board based upon the results of such investigation.

7.3. **Inquiries.** Any official or employee of the Authority may submit an inquiry with respect to –

7.3.1. the scope and applicability of this code; and

7.3.2. whether a specific action, if taken by an official or employee in an identified position or office, will or is likely to constitute a violation of this code.

Any inquiry under this Section 7.3 shall be directed to the ethics officer. The ethics officer may, in his discretion, forward such inquiry to the Authority's attorney for evaluation and response. If the Authority's attorney shall be precluded by the provisions of Tenn. R. Sup. Ct. 8, Rules of Professional Conduct, from making such evaluation, then the Authority may engage an independent attorney to conduct such evaluation.

Section 8. Violations of Code.

Upon receiving the report of an investigation of an alleged actual violation of this code, the board shall take such action as the board shall deem appropriate to the circumstances, including but not limited to –

8.1. if such report is that a violation of this code has not occurred, determining that no further action is required;

8.2. if such report is that a violation of this code has or may have occurred and such report concerns action by a member of the board, the executive director, or a person described in Section 2.10.3 –

8.2.1. a determination of whether the action complained of violates this

code;

8.2.2. if the board determines that the action complained of in fact violates this code –

8.2.2.1. public censure of such board member;

8.2.2.2. appropriate personnel action with respect to the executive director;

8.2.2.3. if such violation concerns a person described in Section 2.10.3, appropriate modification or termination of the Authority's relationship with such person and, if appropriate, referral of such violation to the appropriate licensing agency or authority for further action consistent with such agency's or authority's established procedures; or,

8.2.2.4. filing a report of such violation with the Utility Management Review Board for further action;

8.3. if such report is that a violation of this code has or may have occurred and such report concerns action by an employee, a determination of whether the action complained of violates this code and, if the board shall determine that the action complained of in fact violates this code, referral to the executive director for appropriate personnel action with respect to such employee; and/or,

8.4. if the board shall determine that such conduct may constitute a criminal offense, referral of the matter to the appropriate public official charged with investigation and prosecution of criminal offenses in the jurisdiction wherein such conduct occurred.

8.5. Recusal. If a complaint involves action of a member of the board which is alleged to have violate this code, then such board member shall recuse himself from all deliberation and voting of the board in respect of such complaint.

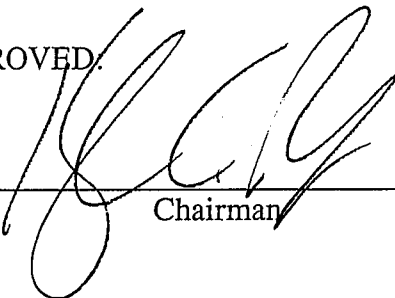
Section 9. Other Applicable Laws and Rules.

9.1. Incorporation. All provisions of state or (when applicable) federal law which govern the conduct of public officials or employees in office shall be deemed to be incorporated into this code by reference. To the extent that any provision hereof shall conflict with any provision of such law, then to the extent of such inconsistency, the provisions of such law shall control. A violation of any such law shall be deemed to constitute a violation of this code.

9.2. Personnel Policy. If an action by an employee which violates any provision of the Authority's promulgated personnel policy shall also constitute a violation of this code, then such conduct shall be treated as and dealt with as a violation of such personnel policy and not as a violation of this code.

ADOPTED, this 10TH day of September, 2007.

APPROVED.



Chairman

AYE:

NAY:

RICHARD ARNOLD _____

JOHN C. SHELTON _____

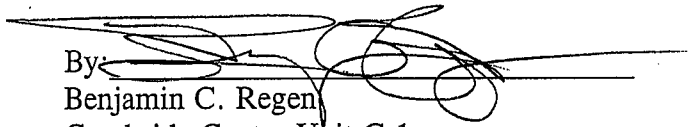
R. DARRELL JAMES _____

DON L. WEISS, JR. _____

KYLE C. RUF _____

APPROVED AS TO FORM:

WHITE, REGEN & GARTON, PLC


By: _____
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(615) 446-2882

**BEFORE THE UTILITY MANAGEMENT REVIEW BOARD
STATE OF TENNESSEE**

In the matter of: **WATER AUTHORITY OF DICKSON COUNTY**
Review of Adopted Ethical Standards

ORDER

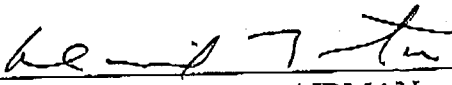
WHEREAS, the Utility Management Review Board ("Board") has approved a model of ethical standards ("Model") for water, wastewater and gas authorities created by a private act or under the general law and to utility districts pursuant to Tenn. Code Ann. § 8-17-105(b)(1); and

WHEREAS, Tenn. Code Ann. § 8-17-105(b)(2) allows a water, wastewater or gas authority created by private act or under the general law or a utility district to adopt ethical standards that are different from and more stringent than the Model approved by the Board; and

WHEREAS, the Water Authority of Dickson County has adopted its own Code of Ethics ("Code") and presented its Code to the Board for a determination that the Code is more stringent than the Model adopted by the Board;

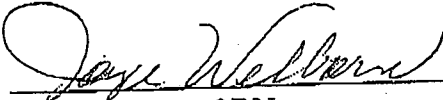
NOW, THEREFORE, BE IT ORDERED BY THE UTILITY MANAGEMENT REVIEW BOARD, that on the petition of the Water Authority of Dickson County, on the evidence and arguments of record, the Board finds that the Code of Ethics, establishing the ethical standards, adopted by the Water Authority of Dickson County [attached hereto as Exhibit A] are more stringent than the Model adopted by the UMRB.

Adopted and approved by the Utility Management Review Board at the Board's meeting on the 6th day of December, 2007.



DAVID NORTON, CHAIRMAN

ATTEST:



JOYCE WELBORN
Office of Local Finance, Comptroller of the Treasury

c: Mr. Benjamin C. Regen, Attorney for Water Authority of Dickson County