

BY - LAWS

OF

The Sewanee Utility District of Franklin and Marion Counties, Tennessee

We certify that the following By-Laws of Sewanee Utility District were officially adopted by the Board of Commissioners at their meeting on 17 June 1997, became effective on that date, and supersede any previous by-laws.

Harold E. Dodd, President

Shipp H. Webb, Secretary

**Sewanee Utility District of Franklin and Marion Counties, Tennessee
By-Laws**

A. NAME AND PURPOSE

The name, purpose and service area of the Sewanee Utility District are shown by an order of the County Executives of Franklin and Marion Counties date 29 October 1996 which is included herein as **Appendix A**.

All district matters are subject to the State Utility District Act of 1937 and amendments.

B. COMMISSIONERS

Sewanee Utility District is governed by a board of commissioners. The number, terms, manner of election, and procedure for filling vacancies are set out in public chapter number 772, Senate bill no. 1694 which is included herein as **Appendix B**. This bill is incorporated in the Utility District Act of 1937 at 7-82-307 (ff).

Powers of commissioners and payment of their expenses are shown by section 7-82-309 of the Utility District Act of 1937 which is included herein as **Appendix C**.

Compensation of commissioners for attending meetings may be paid as determined by commissioners in office, subject to limitations contained in the Utility District Act of 1937. Except for meetings payments and expense reimbursement, commissioners may not benefit financially from the district.

C. OFFICERS AND COMMITTEES

The President shall preside at all board meetings, be an exofficio member of all committees, sign all agreements, and see that all resolutions or orders of the board are properly carried out. The Vice-President shall have and exercise all of the authority of the President when the latter is not available or fails to discharge the duties of his/her office. The Secretary shall keep minutes of all board meetings, attest all agreements, and send all notices required by the board. The President may appoint a Secretary Pro Tempore if the Secretary is absent.

Officers are elected at the February board meeting and serve for terms of one year or until a successor is elected.

The board may delegate to a person or a firm such duties and authority as it deems appropriate for the efficient conduct of operations of the district.

The board may create committees as specified in authorizing resolutions, and may dissolve any committee at any time.

D. MEETINGS

The board shall meet to conduct business at regular monthly or other meetings. All meetings shall comply with Tennessee Code Annotated title 8, Chapter 44 which requires that adequate public notice of the meeting be given, that the meeting be open to the public, and that minutes of the meeting be promptly and fully recorded and made available for inspection upon request.

Special meetings may be held as the board deems necessary.

The regular meeting in January shall serve as the annual meeting for electing commissioners and reporting past results and future plans.

A quorum for conducting business is a majority of the number of commissioners authorized to hold office.

E. FINANCES

All district money and financial matters shall be handled as provided in the Utility District Act of 1937 and the State of Tennessee. Uniform Accounting Manual for Tennessee Utility Districts. Financial matters may also be subject to requirements of any bond resolutions outstanding.

The books of the districts shall be kept on a fiscal year ending December 31.

F. AMENDMENTS

The by-laws may be amended at any meeting by affirmative vote of three or more commissioners; provided, that a written draft of the proposed amendment must be distributed at a previous meeting.

APPENDIX B

State of Tennessee

PUBLIC CHAPTER NO. 772
SENATE BILL NO. 1694

By Cooper

Substituted for: House Bill No. 1770

By Rigsby

AN ACT To amend Tennessee Code Annotated, Title 7, relative to certain utility districts in counties having a population of not less than thirty-four thousand, five hundred (34,500) nor more than thirty-four thousand, seven hundred, thirty (34,730), according to the 1990 federal census of population, or any subsequent federal census.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-82-307, is amended by adding the following as a new, appropriately designated subsection:

(1) Notwithstanding the provision of this section or any other law to the contrary, any utility district, which has a service area that lies primarily within a county having a population of not less than thirty-four thousand, five hundred (34,500) nor more than thirty-four thousand, seven hundred, thirty (34,730), according to the 1990 federal census of population, or any subsequent federal census, shall be governed by a five (5) member board of commissioners. Except as otherwise provided in this subsection, the members of such board shall be elected by the customers of the district at the annual meeting of the utility district. As used in this subsection, "customer" means any individual or entity who receives bills from the utility district, pays money for such services and resides or operates within the boundaries of the district. Each individual or entity shall be limited to one vote.

(2) The three (3) members serving on the board of commissioners on the effective date of this act shall continue to serve until the expiration of their terms or until a vacancy occurs. Their successors shall be elected for a four (4) year term. The two additional members elected pursuant to this subsection shall serve initially for three (3) and four (4) years. Thereafter their terms shall be for four (4) years. No member shall serve for more than two (2) consecutive terms.

(3) Within sixty (60) days of the effective date of this act, the existing board of commissioners shall call a special meeting for the purpose of filling the two (2) newly created positions on the board. The procedure for filling these positions shall be the same as for filling vacancies, as set forth in this subsection.

(4) If the district serves residents of more than one county, there shall be one commissioner elected from each county. The remaining commissioners shall be elected

from the county in which the principal office is located.

(5) Vacancies on the board due to the expiration of a term, or due to an increase in the number of members on the board, shall be filled as follows:

For each vacancy, the incumbent commissioners shall select three (3) nominees, in accordance with any residential requirements that may apply to the office vacated, or to be vacated, and shall prepare a ballot for each vacancy. Other nominees may be placed on the ballot by submitting, twenty (20) days prior to the election, a nominating petition signed by not less than ten (10) customers who are residents of the county within which the vacancy occurs. Write-in votes for unlisted candidates will also be considered. Vacancies shall be filled by a plurality of the votes cast for each seat.

(6) At least forty days (40) prior to the election, the incumbent commissioners of the utility district shall mail written notice of such meeting and election to all customers and shall list any vacancies to be filled. In the event the commissioners fail to set the date for the meeting, or fail to mail notice of such a meeting, or fail to hold the election, the county executive shall cause such things to be done upon petition of any twenty (20) customers of the district.

(7) Vacancies occurring on the board of commissioners created by death, resignation, disability, ouster or forfeiture of office, shall be filled by the remaining commissioners, until the next annual meeting, at which time the vacancy shall be filled by the customers.

SECTION 2. This act shall take effect on becoming law, the public welfare requiring it.

APPENDIX A

BEFORE THE COUNTY EXECUTIVES OF FRANKLIN AND MARION COUNTIES, TENNESSEE

IN RE:

THE SEWANEE UTILITY DISTRICT OF
FRANKLIN AND MARION COUNTIES

Filed: 11-18-96
Nina Tucker
Franklin County Clerk
Winchester, TN 37398

RECREATION ORDER

This cause came to be heard on this 29th day October, 1996, before County Executives of Franklin and Marion Counties, Tennessee, upon petition of the Sewanee Utility District of Franklin County, Tennessee, and the prescribed number of residents and property owners of the proposed service area within Franklin and Marion Counties, Tennessee, for re-creation of the District as the Sewanee Utility District of Franklin and Marion Counties, Tennessee, coming on for hearing pursuant to the Order heretofore entered by the County Executive of Franklin County setting the matter for hearing in the Franklin County Courthouse at 10:00 a.m. on this date, upon testimony of witnesses presented by the Petitioner Utility District and of all interested parties and members of the public desiring to be heard, from all of which it appears to the said County Executives and they do hereby find that:

1. Proper notice was given by Certified Mail more than ten (10) days prior to the date of this Hearing to the said Counties and to all incorporated Cities and Towns and to all Utility Districts entitled thereto, and proper notice thereof was published not less than seven (7) nor more than fifteen (15) days prior to the date of the hearing in newspapers of general circulation published in each of the Counties involved, being the HERALD CHRONICLE in Franklin County and THE HUSTLER in Marion County, Tennessee.

2. The report of the Utility Management Review Board has been duly received and considered. The Petitioner Sewanee Utility District of Franklin County, Tennessee already serves substantially all of the area it seeks to have included within its official boundaries pursuant to the authorization granted to it by T.C.A. section 7-82-302(a)(1) to own and operate its system or systems "within or without the District, ..." so that the reason for the Re-Incorporation Petition and the only practical effect of granting the same will be to empower customers served by the District in Marion County to vote on Commissioners to be selected to fill vacancies occurring on the Board in accordance with T.C.A. section 7-82-307(ff), with the change to have no consequences, either

beneficial or detrimental, upon the District's rate structure, financial soundness, or any other aspect of its operation.

3. The County Executives accordingly find that the public convenience and necessity require the re-creation of the District, with its modified official bounds to be as described in the Petition for Re-Creation, and such re-creation is economically sound and desirable.

IT IS THEREFORE ORDERED by the County Executives of Franklin and Marion Counties, Tennessee, that the Sewanee Utility District of Franklin County, Tennessee, is hereby re-created as

THE SEWANEE UTILITY DISTRICT OF FRANKLIN AND MARION COUNTIES,
TENNESSEE

authorized to furnish water and sewer services throughout its bounds which bounds are hereby established as follows:

BEGINNING at a point on the bluff of the mountain at its intersection with the Franklin-Grundy County lines approximately 2.2 miles Northwest of the point known as the Sand Switch; running thence south and east along said county line to the common corner of the Franklin and Grundy and Marion County lines near the Sand Switch;

Thence running southerly, easterly, and southerly again, a total distance of approximately 3 miles along the Franklin-Marion County line as it is recorded on the maps of the Franklin County property assessor, to a point on the bluff, as defined by the 1,700 ft. contour line, at the western tip of Bethel Creek Cove near Kirby-Smith Point; thence westerly, southerly and easterly with the bluff of the mountain to Ravens Den Point;

Thence southeasterly, southwesterly, northwesterly and southeasterly with the bluff of the mountain to a point identified as The Pinnacles, overlooking Jumpoff Cove;

Thence southwesterly and northeasterly, running with the bluff of the mountain around Jumpoff Cove to an area identified as The Narrows; thence southwesterly, southerly, southeasterly and easterly with the bluff of the mountain around Gaines Cove;

Thence southerly and easterly with the bluff of the mountain to Jackson Point; thence southerly with the bluff of the mountain to a point identified as Goat Rock;

Thence west across the plateau approximately 0.4 miles to the bluff line of the mountain east of Rogers Cove; thence westerly, northwesterly and southwesterly along the bluff line of the mountain bordering the south side of Price Ridge and

overlooking Nancy Winn Cove;

Thence southerly, westerly and northwesterly along the bluff line overlooking the west side of Nancy Winn Cove and the area designated as The Levels, to a point of intersection of that bluff line, at an elevation of approximately 1,600 feet, with the easterly boundary of Franklin-Marion State Forest;

Thence northerly along said State Forest boundary approximately 0.7 miles to the North boundary line of the Franklin-Marion State Forest; thence easterly approximately 2.8 miles along said north State Forest boundary line to the NE corner of the Franklin-Marion State Forest; thence due north approximately 1 mile to a point on the south bluff of the mountain overlooking Champion Cove;

Thence easterly, northerly and westerly running with the bluff of the mountain on the south, east and north sides of Champion Cove and thence westerly,, northerly and southerly with the bluff of the mountain around Lost Cove to a point on the bluff of the mountain near The Saddle; running thence with the bluff of the mountain north around St. Mary's to Morgan's Steep; thence with the bluff of the mountain west, north and east to a point on the bluff west of St. Andrews; thence in a northerly direction with the bluff of the mountain to the place of the beginning.

[All references in the foregoing description, except where otherwise indicated, are to one of the following U.S. GEOLOGICAL SURVEY maps: ORME, TN, 1947; SEWANEE, TN 1974, and MONTEAGLE, TN, 1974.]

IT IS FURTHER ORDERED, pursuant to the requirements of T.C.A. section 7-82-602, as modified by T.C.A. section 7-82-307(ff) , that the following individuals are appointed members of the initial Board of Commissioners of the said Utility District for terms lasting from and after the entry of this Order to January 31 of the year of term expiration shown below, with each Commissioner to continue to hold office until his or her successor shall have been selected and qualified in the manner required by law:

<u>COMMISSIONER</u>	<u>INITIAL TERM</u>
Kenneth Brown Franklin County	From this date to January 31, 1997
Harold Dodd Franklin County	From this date to January 31, 1998
Sherwood Ebey Franklin County	From this date to January 31, 1998
William Tate Marion County	From this date to January 31, 1999
Shipp H. Webb Franklin County	From this date to January 31, 2000

IT IS FURTHER ORDERED that the seat on the Board of Commissioners scheduled to become vacant on January 31, 1999, shall be and remain the Marion County seat and that the other four seats shall be and remain the seat assigned to the County in which the principal office is located, such office presently located at 90 Reed's Lane, P.O. Box 3211, Sewanee, Tennessee 37375, PROVIDED that if the Board of Commissioners shall extend the District's services into a third county, with the result that one member of the Board must be elected from such a third county, as required by T.C.A. section 7-82-307(ff)(5), then such County's seat shall be assigned to the Commission office scheduled to expire January 31, 2000, and every fourth (4th) year thereafter.

IT IS FURTHER ORDERED that the County Clerk of Franklin County shall file the original of this Order, shall transmit a certified copy thereof to the County Clerk of Marion County to be filed by such Clerk as required by T.C.A. section 7-82-605, and shall furnish five (5) certified copies of this Order to the Sewanee Utility District of Franklin and Marion Counties, Tennessee, whose President shall thereupon transmit copies for publication in newspapers of general circulation of each of the counties, that is to say, to THE HUSTLER, published in Marion County, and to THE HERALD CHRONICLE, published in Franklin County, and he shall transmit copies to the offices of the Register of Deeds of Franklin and Marion Counties for recording, and to the office of the Secretary of State of the State of Tennessee.

IT IS SO ORDERED, this October 29, 1996:

Clinton L. Williams

COUNTY EXECUTIVE OF FRANKLIN COUNTY, TN

Howell Moore

COUNTY EXECUTIVE OF MARION COUNTY, TN

APPROVED FOR ENTRY:

BRANSTETTER, KILGORE, STRANCH & JENNINGS

BY: Cecil D. Branstetter

BY: Carrol D. Kilgore

227 SECOND AVENUE, NORTH
NASHVILLE, TN 37201-1631
(615) 254-8801

ATTORNEYS FOR PETITIONER,
SEWANEE UTILITY DISTRICT OF
FRANKLIN COUNTY, TN

APPENDIX C
from the Utility Act of 1937

7-82-309. Powers of commissioners - Payment of expenses.

- (a) The board of commissioners of any district has the power and authority to:
- (1) Exercise by vote, ordinance or resolution all of the general and specific powers of the district;
 - (2) Make all needful rules, regulations and bylaws for the management and the conduct of the affairs of the district and of the board;
 - (3) Adopt a seal for the district, prescribe the style thereof, and alter the same at pleasure;
 - (4) Lease, purchase, sell, convey and mortgage the property of the district and to execute all instruments, contracts, mortgages, deeds or bonds on behalf of the district in such manner as the board shall direct;
 - (5) Inquire into any matter relating to the affairs of the district, compel by subpoena the attendance of witnesses and the production of books and papers material to any such inquiry, administer oaths to witnesses and examine such witnesses;
- (6) (A) Notwithstanding the provision of any public or private act to the contrary, in all utility districts in the state, any member of the board of commissioners and any board or committee member elected or appointed by the board of commissioners, and any official or employee of the utility district whose salary is set by charter or general law, may be reimbursed from district funds for the actual expense which such utility district officer may incur as an incident to holding such office.
- (B) The utility district board of commissioners shall determine whether or not to pay the expenses incurred by members of the board, and any board or committee member elected or appointed by the president of the board of commissioners, and any official or employee of the utility district whose salary is set by charter or general law; and, if it is determined that the utility district will reimburse expenses, it shall enact a written policy as to how expenses will be reimbursed and determine what expenses are reimbursable.
- (C) In such utility district, it is the duty of the board of commissioners to prescribe forms on which expenses will be reported. The board of commissioners may designate such responsibility to the chief administrative officer of the district. It is the duty of the board of commissioners, or its designee, to examine such expense

report to determine if all expenses so listed as reimbursable are legally reimbursable expenditures within the schedule as determined by the district board of commissioners, and, if such listed expenses are reimbursable, then forward the expense report to the proper disbursing officer for payment.

- (D) To the extent not adequately documented as provided in subdivision (a)(6)(C), expense allowances shall be considered compensation for purposes of any salary limitations as may be provided by statute, charter or private act.
- (E) All utility district travel and expense reimbursement policies, and any amendments thereto, shall be filed with the office of the comptroller of the treasury or the comptroller of the treasury's designee. Such policies and amendments are not subject to approval of but shall not be effective until filed with the office of the comptroller of the treasury.
- (F) The Tennessee association of utility districts (TAUD) shall disseminate, and amend from time to time as necessary, a model travel and expense policy to provide guidance for the various utility districts. Such policy and amendments thereto are subject to the approval of the comptroller of the treasury. Any utility district that adopts the policy promulgated by the TAUD is not required to file such policy with the office of the comptroller of the treasury, but shall notify the office in writing of adoption of the model policy.

(7) Appoint and fix the salaries and duties of such officers, experts, agents and employees as it deems necessary, hold office during the pleasure of the board and upon such terms and conditions as the board may require; and

(8) Do all things necessary or convenient to carry out its functions.

Motion to Adopt By-Laws 17 June 1997

The Sewanee Utility District was re-created on 29 October 1996 to extend its boundary and add Marion County to its name. The recreation caused a need to adopt by-laws for the newly-created district.

Accordingly, this motion is to adopt the by-laws which are attached as the official by-laws of the district. The by-laws are necessary to the orderly conduct of business and are recommended to be adopted after having been exposed for comment and discussed at a previous meeting.

It is noted that officers are to be elected at the January board meeting, a date which complies with state utility law 7-82308 ("first meeting of each calendar year"). Since commissioner terms expire on January 31 it is suggested that the minutes of January meetings note that election of officers is postponed until the next meeting so that officers may be elected by commissioners in office for the ensuing year.

Motion by Harold E. Dodd

