



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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Oak Ridge Utility District

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Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Oak Ridge Utility District

Private Acts of 1951 Chapter 503

SECTION 1. That there is hereby created as an instrumentality of the State of Tennessee, a municipal corporation to be known and designated as "Oak Ridge Utility District", to be comprised of the following territory lying in Anderson and Roane Counties:

All that tract or parcel of land designated within the corporate limits of the city of Oak Ridge, Tennessee, and more particularly described as follows:

Beginning at a point on the right bank of the Clinch River (facing downstream) where the northeastern edge of the Louisville and Nashville Railroad bridge intersects with the right bank low water line of said Clinch River near the area known as Elza Gate, and proceeding across said River coincident with the northeastern edge of the Louisville and Nashville Railroad bridge (at approximate river mile 51.3), and thence proceeding downstream along the left bank low water line of the Clinch River to its intersection with the Knox County Line, thence with the Knox County line across the Clinch River to the right bank low water line: thence proceeding down stream along the right bank low water line of the Clinch River to a point opposite the Roane-Loudon County Line (at approximate river mile 21.1), thence, in a southerly direction, across the Clinch River to a point on the Roane-Loudon County line at the left bank low water line: thence and proceeding downstream along the said low water line to a point at river mile 11: thence proceeding in a "true north" direction across the Clinch River to the right bank and continuing in a "true north" direction for approximately four thousand five hundred (4500) feet to a point of intersection with an Atomic Energy Commission Security Fence which is located immediately adjacent to an Atomic Energy Commission Security Patrol Road designated "F" Road: thence turning in a northeasterly direction and proceeding along and coincident with said Security Fence for approximately twelve thousand (12,000) feet to a point of intersection with a road designated Blair Road near an area known as Blair Gate; thence proceeding directly across Blair Road and Poplar Creek in a northeasterly direction to again join an Atomic Energy Commission Security Fence adjacent to an Atomic Energy Commission Security Patrol Road designated "F" Road; thence proceeding coincident with said Security Fence generally in a northeasterly direction for approximately four thousand five hundred (4500) feet; thence turning toward the northeast and continuing generally in a northeasterly direction coincident with the Atomic Energy Commission Security Fence adjacent to "F" Road for a distance of approximately eighteen thousand (18,000) feet to a point of intersection with a northward branch or section of Atomic Energy Commission Security Fence near a subdivision known as Oak Hills Estates; thence proceeding in a northerly direction coincident with the northward branch or section of Atomic Energy Commission Security Fence for approximately one thousand (1000) feet to a point of intersection with contour line one thousand forty (1040) on the northwestern slope of Black Oak Ridge; thence proceeding in a northeasterly direction along and coincident with contour line one thousand forty (1040) crossing the Roane-Anderson County line and continuing in a northeasterly direction along contour line one thousand forty (1040) to its intersection with the northwestern boundary line of the "Oak Ridge Minimum Geographic Area" near a subdivision known as Laurel Heights Addition Unit B; thence proceeding generally in a northeasterly direction coincident with the "Oak Ridge Minimum Geographic Area" boundary line to a concrete monument (No. 818) located approximately 500 feet southwest of Key Cemetery; thence and leaving said "Oak Ridge Minimum Geographic Area" boundary line and proceeding in a northwesterly direction, 450 feet more or less to a point in the southeastern ROW line of State Highway #61; thence and with said ROW line in a northeasterly direction, 2010 feet more or less; thence and leaving said ROW line and proceeding in a southeasterly direction, 350 feet more or less to a concrete monument (No. 816) located on the "Oak Ridge Minimum Geographic Area" boundary line; thence and proceeding generally in a northeasterly direction coincident with the "Oak Ridge Minimum Geographic Area" boundary line to its northern extremity; thence leaving the "Oak Ridge Minimum Geographic Area" boundary line and proceeding due east to a point of intersection with the northeastern edge of the Louisville and Nashville Railroad right-of-way; thence turning to the southeast and continuing in a southeasterly direction coincident with the northeastern edge of the Louisville and Nashville Railroad right-of-way to the point of beginning on the right bank of the Clinch River where the northeastern edge of the Louisville and Nashville Railroad bridge intersects with the right bank low water line of said Clinch River near the area known as Elza Gate.

Total area included in the above description is 58,000 acres more or less.

It is hereby found and declared that the public convenience and necessity require the creation of said District and the creation thereof is economically sound and desirable. The District shall constitute a governmental agency and a body politic and corporate with power of perpetual succession, but without power to levy or collect taxes. Charges for services authorized by this Act shall not be construed as taxes.

Subject to the provisions of Section 16 of this Act, so long as the District continues to furnish any of the services which it is authorized to furnish under this Act, it shall be the sole public or municipal corporation empowered to furnish such services in this district. The territory of the district shall include both the tract described herein, as well as any tract or parcel of land hereafter incorporated within the city of Oak Ridge, if such tract or parcel is not served by another utility district.

As amended by: Private Acts of 1959, Chapter 294
Private Acts of 1967-68, Chapter 131
Private Acts of 1988, Chapter 186

SECTION 2. That the district is created for the purpose of acquiring, constructing, reconstructing, improving, bettering, extending, repairing, maintaining and operating one or more systems for the furnishing of water, sewer, gas and electric service, or any one or more of such services in and for the district and the territory adjacent thereto, and for this purpose the district shall have power to purchase water or acquire a source of supply, to collect and treat sewage, to purchase or manufacture natural or artificial gas, to purchase or generate electric power, and to process, transmit and distribute any of such commodities or services within the district and in territory adjacent thereto and wherever the word "System" occurs in this Act, it shall be construed and interpreted to mean any system for the furnishing of water, sewer, gas or electric service. The district is vested with all powers necessary and convenient for the accomplishment of the purpose of its creation. To carry out the purpose of this Act, the district shall have the power and authority to purchase from, and furnish and sell to any municipality, any public institution, the State, any agency of the United States Government, any private person or corporation, and the public generally, the services authorized by this Act. No enumeration of particular powers herein created shall be construed to impair or limit any general grant of power herein contained nor to limit any such grant to a power or powers of the same class or classes as those enumerated. Provided, however, that before said district shall in any manner acquire a water works, a sewer system, a combined waterworks and sewer system, or an electric distribution system, it shall first secure the assent of a majority of the qualified electors of the District voting upon a proposition to authorize the district to acquire such system. Such election shall be requested by the Board of Commissioners of the district by appropriate resolution, signed by two hundred fifty or more qualified electors resident of the district, stating the purpose for which the said election shall be held and a certified copy of such resolution shall be furnished the Election Commissioners of Anderson County. It shall be the duty of such Election Commissioners of Anderson County to hold such election within sixty (60) days after being furnished with a certified copy of such resolution. Such election shall be held under the general laws of the State of Tennessee pertaining to elections and for the purpose of this Act, the qualified electors shall be any resident citizen of the district who is on the date of such election, qualified to vote for members of the General Assembly. The election requirements of this section with regard to the acquisition of a system shall not apply to a gas system nor to the extension or improvement of any system.

As amended by: Private Acts of 1959, Chapter 294

SECTION 3. That W. J. Hatfield, Ray N. Stewart, T. E. Lane, Cordell Williams and H. C. Doran are hereby appointed and shall constitute the Board of Commissioners of Oak Ridge Utility District and shall administer and operate said district. Said Commissioners shall serve respectively in the order named for terms ending 1, 2, 3, 4, and 5 years from July 1 next following the date on which gas shall be first supplied through any portion of the system herein authorized to be constructed, to any customer thereof. Thereafter the term of office shall be five years. Members shall hold office until their successors are elected and qualify.

Whenever a vacancy occurs, or whenever a Commissioner's term is about to expire, a successor shall be nominated by a majority vote of the remaining members of the Board of Commissioners, and the name of the person so nominated shall be submitted to the County Judge of Anderson County for confirmation. Within 20 days from the submission of such name to such County Judge, he shall act upon the nomination and advise the district thereof. In the event that the person nominated shall fail to receive the approval of the County Judge, a new nomination shall be made and submitted in accordance with the procedure provided herein until approval of such nomination shall be obtained. Provided, however, that if and when there shall be duly incorporated under the laws of the State of Tennessee a city or town which shall include a major portion of the territory constituting the Oak Ridge Utility District, thereupon and thereafter the selection of successor-Commissioners shall be carried out in the following matter: Whenever a vacancy occurs and thirty days prior to the expiration of the term of office of any Commissioner, the chief executive officer (City Manager, or in the event there is no City Manager, then the Mayor) of such city or town shall meet with the Board of Commissioners of the districts exclusive of the Commissioner whose term of office has expired or is about to expire or whose term of office is vacant. Such remaining members and such chief executive officer shall thereupon nominate by a majority vote a Commissioner as a successor, and the name of the person so nominated shall be submitted to the governing body of such city or town. Within twenty days from the submission of such name to such governing body it shall act upon the nomination and advise the district thereof. In the event that the person nominated shall fail to receive

the approval of a majority vote of the governing body of such city or town, a new nomination shall be made and submitted in accordance with the procedure provided herein until approval of such nomination shall be obtained. Not more than one member of a governing body of such city or town shall be a member of the Board of Commissioners of said district. All vacancies, other than those arising by the normal expiration of the term of a Commissioner, shall be filled for the unexpired term only.

Commissioners shall receive no salary for their services, but each Commissioner shall be entitled to receive a fee of Fifty Dollars (\$50.00) for attendance at each meeting of the Board, and to reimbursement for all expenses incurred in connection with the performance of their duties. No more than Fifty Dollars (\$50.00) shall be paid a Commissioner for attendance fees for meetings held in any one month, but this limitation in payment of attendance fees shall in no way affect the number of meetings the Board may hold in any one month.

The Board may delegate to one or more of its members or to its agents and employees such powers and duties as it may deem proper, but at its first meeting and at the first meeting of each calendar year thereafter it shall elect one of its members to serve as Chairman, and another of its members as Secretary of the Commission. The Secretary shall keep a record of all proceedings of the Commission which shall be available for inspection as other public records, and shall be custodian of all official records of the district. Only persons resident in the district shall be eligible for election to the Board.

Said Commissioners shall at all times be subject to the provisions of the general "Ouster Law" of Tennessee as set out in Sections 1877 to 1902, inclusive, of the Code of Tennessee.

Said Board of Commissioners shall employ a Certified Public Accountant to audit its books and records and shall publish, on or before March 31 of each year, in a newspaper of general circulation within the district, a financial statement showing its receipts and disbursements, with the purpose thereof, and reflecting the true financial condition of the district for the period ending December 31 annually.

In event the district shall undertake the operation of more than one utility system at any time in accordance with the provisions of this Act, the Board of Commissioners shall thereupon be enlarged to seven (7) members, with the term of each member being for a period of seven years. Upon the initial enlargement of the Board, two additional years shall be added to the term of each existing Commissioner, and the two new Commissioners shall be nominated and elected for an initial term of one and two years respectively, the term of each Commissioner thereafter being for seven years! [sic] Except as herein necessarily modified, the method of nomination and of election of Commissioners shall remain the same.

As amended by: Private Acts of 1959, Chapter 294

SECTION 4. That the district shall have the power:

- (a) To sue and be sued.
- (b) To have a seal.
- (c) To acquire by purchase, gift, devise, lease or exercise of the power of eminent domain or other mode of acquisition, hold, and dispose of real and personal property of every kind within or without the district, whether or not subject to mortgage or any other liens.
- (d) To make and enter into contracts, conveyances, mortgages, deeds of trust, bonds or leases.
- (e) To incur debts, to borrow money, to issue negotiable bonds and to provide for the rights of holders thereof.
- (f) To fix, maintain, collect, and revise rates and charges for any service.
- (g) To pledge all or any part of its revenues.
- (h) To make such covenants in connection with the issuance of bonds, or to secure the payment of bonds, that a private business corporation can make under the general laws of the State, notwithstanding that such covenants may operate as limitations on the exercise of any power granted by this Act. Such covenants shall constitute a contract between the district and the owners of such bonds.
- (i) To use any right of way, easement or other similar property right necessary or convenient in connection with the acquisition, improvement, operation or maintenance of a utility, granted by the United States Government (or any agency thereof), the State or any political subdivision thereof.

SECTION 5. That the Board of Commissioners of said district shall have the power and authority:

- (a) To exercise by vote, ordinance or resolution all of the general and specific powers of the district.
- (b) To make all needful rules, regulations, and by-laws for the management and the conduct of the affairs of the district and of the Board.
- (c) To adopt a seal for the district, prescribe the style thereof, and alter the same at pleasure.

(d) To 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.

(e) To inquire into any matter relating to the affairs of the district, to compel by subpoena the attendance of witnesses and the production of books and papers material to any such inquiry, to administer oaths to witnesses and to examine such witnesses.

(f) To appoint and fix the salaries and duties of such officers, experts, attorneys, agents, and employees as it deems necessary, to hold office during the pleasure of the Board and upon such terms and conditions as the Board may require.

(g) To do all things necessary or convenient to carry out its functions.

(h) To enter into all such contracts with incorporated municipalities which it may consider desirable for the conduct of its affairs, including the making of leases of property and the making of reasonable and nondiscriminatory agreements for the making of payments to such municipalities. Such municipalities are likewise authorized to enter into such agreements with said district touching upon the operation of the properties of the district within their corporate limits as may be considered desirable and may agree to lease or purchase any such properties under such terms and provisions as may be agreed upon, all of which agreements may be authorized by the respective municipalities by resolutions introduced and adopted by their governing bodies at one meeting, which resolutions need not be published and may be made immediately effective and not subject to the filing of referendum petitions.

SECTION 6. That said district shall have the power and is hereby authorized from time to time to issue its negotiable bonds in anticipation of the collection of revenues for the purpose of constructing, acquiring, reconstructing, improving, bettering, repairing or extending a system or systems for the furnishing of water, sewer, gas and electric service, or any one or more of all of such services, and to pledge to the payment of the interest and principal of such bonds, all or any part of the revenues derived from the operation of any such system so constructed, acquired, reconstructed, improved, bettered, repaired or extended. Provided that bonds issued to finance the construction, acquisition, improvement or extension of any gas, waterworks, sewer or electric system shall be payable solely from the revenues of such system except that bonds issued to finance a combination waterworks and sewer system may be payable from the revenues of such combined system. There may be included in the costs for which bonds are to be issued, provision for adequate working capital and for the purchase and installation of appliances and equipment (including heating conversion units) to serve the customers of the district, reasonable allowances for legal, engineering and fiscal services, interest during construction and for twelve months after the estimated date of completion of construction, and other preliminary expenses, including the expenses of incorporation of the district. Said bonds shall be authorized by resolution of the Board of the district, and may be issued in one or more series; may bear such date or dates; may mature at such time or times not exceeding forty years from their respective dates; may bear interest at such rate or rates not exceeding the lawful percent per annum payable semi-annually; may be in such form, either coupon, or registered; may be executed in such manner; may be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, and may contain such terms, covenants and conditions as such resolution or subsequent resolution may provide. Said bonds may be issued and delivered for money or property in such manner and upon such terms as the Board shall determine, provided that the interest cost to maturity of the money or property (as its value as determined by such Board, the determination of which shall be conclusive) received for any issue of said bonds shall not exceed the lawful percent per annum payable semi-annually. Pending the preparation of the definitive bonds, interim receipts or certificates in such form and with such provisions as the Board may determine may be issued to the purchaser or purchasers of bonds sold pursuant to this Act. Said bonds and interim receipts or certificates shall be fully negotiable within the meaning of and for all purposes of the Uniform Negotiable Instruments Law of the State.

As amended by:

Private Acts of 1959, Chapter 294

Private Acts of 1988, Chapter 186

SECTION 7. That any resolution authorizing the issuance of bonds under this Act may contain covenants, including but not limited to (a) the purpose or purposes to which the proceeds of the sale of said bonds may be applied and the deposit, use, and disposition thereof; (b) the use, deposit, security of deposits, and disposition of the revenues of the district, including the creation and maintenance of reserves; (c) the issuance of other additional bonds payable from the revenues of the district; (d) the operation and maintenance of the system; (e) the insurance to be carried thereon and the use, deposit, and disposition of insurance moneys; (f) books of account and the inspection and audit thereof and the accounting methods of the district; (g) the non-rendering of any free service by the district; and (h) the preservation of the system, so long as any of the bonds remain outstanding, from any mortgage, sale, lease or other encumbrance not specifically permitted by the terms of the resolution.

SECTION 8. That there shall be and there is hereby created a statutory lien in the nature of a mortgage lien upon the system or systems acquired or constructed in accordance with this Act, including all extensions and improvements thereto or combinations thereof subsequently made, which lien shall be in favor of the holder or holders of any bonds outstanding against any system, issued pursuant to this Act and all such property shall remain subject to such statutory lien until the payment in full of the principal of and interest on said bonds. Any holder of said bonds or any of the coupons representing interest thereof may either at law or in equity, by suit, action, mandamus, or other proceeding in any court of competent jurisdiction, protect and enforce such statutory lien and compel performance of all duties required by this Act, including the making and collection of sufficient rates for services, the proper accounting therefor, and the performance of any duties required by covenants with the holders of any bonds issued in accordance with this Act.

If any default be made in the payment of the principal of or interest on such bonds, any court having jurisdiction of the action may appoint a receiver to administer said district, and said system, with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against said system and for the payment of operating expenses, and to apply the income and revenues thereof in conformity with the provisions of this Act, and any covenants with bondholders.

As amended by: Private Acts of 1959, Chapter 294

SECTION 9. That said bonds bearing the signatures of officers in office on the date of the signing thereof shall be valid and binding obligations, notwithstanding that before the delivery thereof and payment therefor any or all the persons whose signatures appear thereon shall have ceased to be officers of the district. The validity of said bonds shall not be dependent upon nor affected by the validity or regularity of any proceedings relating to the acquisition, purchase, construction, reconstruction, improvement, betterment, or extensions of the system for which said bonds are issued. The resolution authorizing said bonds may provide that the bonds shall contain a recital that they are issued pursuant to this Act, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

SECTION 10. That no holder or holders of any bonds issued pursuant to this Act shall ever have the right to compel the levy of any tax to pay said bonds or the interest thereon. Each bond shall recite in substance that said bond and interest thereon are payable solely from the revenues pledged to the payment thereof and that said bond does not constitute a debt of the district within the meaning of any statutory limitation.

SECTION 11. That the Board of Commissioners of said district issuing bonds pursuant to this Act shall prescribe and collect reasonable rates, fees or charges for the services, facilities, and commodities rendered by its system, shall prescribe penalties for the non-payment thereof, and shall revise such rates, fees or charges from time to time whenever necessary to insure that such system shall be and always remain self-supporting. The rates, fees or charges prescribed shall be such as will always produce revenue at least sufficient (a) to provide for all expenses of operation and maintenance of the system, including reserve therefor, and (b) to pay when due all bonds and interest thereon for the payment of which such revenues are or shall have been pledged, charged or otherwise encumbered, including reserves therefor.

SECTION 12. That the property and revenue of the district shall be exempt from all State, county, and municipal taxation. Bonds issued pursuant to this Act and the income therefrom shall be exempt from all State, county, and municipal taxation, except inheritance, transfer, and estate taxes and it shall be so stated on the face of said bonds.

SECTION 13. That neither the Railroad and Public Utilities Commission nor any other board or commission of like character heretofore or hereafter created shall have jurisdiction over the district in the management and control of its system, including the regulation of its rates, fees or charges.

SECTION 14. That his Act is complete in itself and shall be controlling. The provisions of any other law, general, special or local, except as provided in this Act, shall not apply to the district incorporated under this Act; provided, that nothing in this Act shall be construed as impairing the powers and duties of the Department of Health of the State of Tennessee.

SECTION 15. That said district shall have power to condemn either the fee or such right, title, interest, or easement in such property as the Board may deem necessary for any of the purposes mentioned in this Act and such property or interest in such property may be so acquired whether or not the same is owned or held for public use by corporations, associations or persons having the power of eminent domain, or otherwise held or used for public purposes, including lands held and used for cemetery purposes; provided, however, such prior public use not be interfered with by this use. Such power of condemnation may be exercised in the mode or method of procedure prescribed by Sections 3109 to 3134, Code of Tennessee, 1932, or in the mode or method of procedure prescribed by any other applicable statutory provisions now in force or hereafter enacted for the exercise of the power of eminent domain; provided, however, that where title to any property sought to be condemned is defective, it shall be passed by

decree of Court; provided, further, that where condemnation proceedings become necessary the Court in which such proceedings are filed shall, upon application by the district and upon the posting of a bond with the Clerk of the Court in such amount as the Court may deem commensurate with value of the property, order that the right of possession shall issue immediately or as soon and upon such terms as the Court, in its discretion, may deem proper and just.

SECTION 16. That in event of the incorporation of a city or town which includes a major portion of the territory within the district, the Board of Commissioners may and, if so ordered by a majority of the voters of such city or town participating in a referendum called for that purpose, shall sell the properties of one or more of the systems of the District to such city or town, any such sale shall, however, be made only for cash in such amount as will completely pay off and discharge all bonds and obligations of the District secured by the revenues of the system or systems so sold, together with interest thereon to maturity or to the date of redemption thereof plus all necessary redemption premiums.

As amended by: Private Acts of 1959, Chapter 294

SECTION 17. That the actions heretofore taken by the Town Council of Oak Ridge and those residents of Oak Ridge herein appointed as Commissioners of said district to effectuate the purposes of this Act, including all leases, contracts and proceedings with the United States Atomic Energy Commission, Equitable Securities Corporation and Associates, and Goodwin Engineers, Inc., are hereby authorized, validated and declared lawful.

SECTION 18. That there is hereby granted to the District the right, privilege and franchise to operate a system or systems for the furnishing of water, sewer, gas, and electric service, or any one or more of such services, throughout the District and territory adjacent thereto, and to sell any one or more or all of such services to all persons and consumers therein and to such end, in all public roads, highways, streets, alleys, and other thoroughfares throughout the district and territory adjacent thereto to place, lay down, construct, erect, extend, maintain, repair, replace, and renew all pipes, pipeline, electric lines, and other structures and appliances deemed by it necessary or useful for the purpose of carrying, conducting, and transmitting any one or more of such services from its source or sources of supply, through, over, in, under, and upon such public roads, highways, streets, alleys, and other thoroughfares to the premises of the consumers of such services, provided only that said facilities be so constructed and maintained that no unnecessary annoyance shall accrue therefrom to the public health, comfort and convenience.

As amended by: Private Acts of 1959, Chapter 294

SECTION 19. That the Board of Commissioners may provide by resolution for the issuance of bonds for the purpose of refunding any outstanding bonds of the district. The issuance of such refunding bonds, the maturities and other details thereof, the rights of the holders thereof, and the duties of the district in respect of such bonds shall be governed by the provisions of this Act in so far as such provisions may be applicable. Such refunding bonds shall either be issued in exchange for outstanding bonds, or shall be issued in such manner that the proceeds of the sale thereof will be applied to the payment of outstanding bonds becoming due, either through actual maturity or through call for redemption, not more than three months after the issuance of the refunding bonds.

SECTION 20. That the provisions of this Act are severable, and if any of its provisions shall be held to be invalid by any court of competent jurisdiction, the remaining provisions shall remain fully effective, it being hereby declared to be the legislative intent that this Act would have been adopted had any such invalid provision not been included therein.

SECTION 21. That all laws or parts of laws in conflict herewith be and the same are hereby repealed and that this Act shall take effect from and after its passage, the public welfare requiring it.

Passed: March 14, 1951.

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