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# Chapter I - Administration

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Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

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

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## Chapter I - Administration

### Budget System

### Borrowing Funds

### Private Acts of 1941 Chapter 329

**COMPILER'S NOTE:** The population bracket given in the Act does not match any Tennessee county, however, the index attributes the Act to Cumberland County and the Cumberland County population is the closest of all of the counties.

**SECTION 1.** That the Quarterly County Court of counties of the State having a population of not less than 15,600, and not more than 15,650 by the Federal Census of 1940, or any subsequent Federal Census, be and are hereby authorized and empowered to borrow funds for the County, evidenced by time warrants of the County, with legal interest, duly signed and executed by the County Judge as other warrants of the County are signed and executed, to pay any current indebtedness of the County or current expenses of the County, when the funds in the County Treasury are not sufficient to meet and pay such indebtedness or expense; such warrants to be due and payable out of the tax funds of the County next due and collectible. Each and all County warrants issued under the authority herein conferred shall, after having been executed by the County Judge, be attested by the County Court Clerk.

**SECTION 2.** That this Act shall take effect on and after its passage, the public welfare requiring it.

Passed: February 13, 1941.

### Charitable Contributions

### Private Acts of 1943 Chapter 427

**SECTION 1.** That in all counties having a population of not less than 15,585 nor more than 15,600 by the 1940 Federal Census or any subsequent Federal Census, the Quarterly County Court is hereby authorized to make appropriations for any and all recognized charitable purposes.

**SECTION 2.** That all laws and parts of laws in conflict with this Act be and the same are hereby repealed, and this Act shall take effect from and after its passage, the public welfare requiring it.

Passed: February 11, 1943.

### County Attorney

### Private Acts of 1933 Chapter 283

**SECTION 1.** That there is hereby created the office of County Attorney of Cumberland County. Said officer shall be elected by the Quarterly County Court of Cumberland County at its regular October term, 1934, and shall hold his office for a term of two years and thereafter for similar terms at the discretion of the Court, it being left to the discretion of the Court as to whether it will continue to fill the office.

**SECTION 2.** That the salary of said County Attorney shall be fixed by the County Court, payable monthly out of the general fund of the County by warrants drawn on the County Trustee.

**SECTION 3.** That it shall be the duty of the County Attorney to represent the County in all of its legal business in court and otherwise, and at the request of the County officials to advise them upon all legal matters affecting their offices, and no officer of said County shall employ any other attorney save at his own personal expense unless he shall first be authorized and empowered to do so by the Quarterly County Court.

**SECTION 4.** That this Act take effect from and after its passage, the public welfare requiring it.

Passed: April 3, 1933.

# County Executive

## Private Acts of 1935 Chapter 214

**SECTION 1.** That the office of County Judge of Cumberland County, Tennessee, be, and the same is, hereby created and established in said County.

**SECTION 2.** That the term of office of said County Judge shall be eight years, and he shall receive a salary of Eighteen Hundred (\$1,800.00) Dollars per year, payable monthly out of the County funds of said County upon warrants drawn as hereinafter provided, except the County Judge selected and appointed by this Act, whose term of office shall be from the passage of this Act until the next regular election to be held in August, 1936, or until his successor is elected and qualified.

**SECTION 3.** That R. A. Powel of Cumberland County, Tennessee, is hereby selected and appointed to fill the office of County Judge for said County of Cumberland from the date this Act takes effect until the next regular election held on the first Thursday in August, 1936, and until his successor is elected and qualified, to be commissioned in the same manner as other judges of this State; and before entering upon the duties of his office, he must take oath and execute bond as hereinafter provided.

**SECTION 4.** That the first election of County Judge for Cumberland County, shall be held at the same time and place, and by the same officers that other County elections are held, on the first Thursday in August, 1936; and under the same rules and regulations that are prescribed by law for other County elections; that his term of office shall be computed from the first day of September next succeeding his election; and that he shall fill the office of County Judge for said County of Cumberland from that date until the election and qualification of his successor; that the next or second election of County Judge for Cumberland County, Tennessee, shall be held at the next regular election for judicial officers to be held on the first Thursday in August, 1942; and that the election of a County Judge of said County shall be held on the first Thursday in August, every eight years thereafter, all of said terms of office to be computed from the first day of September next succeeding the election as herein provided for. In case of incompetency, sickness or inability of the County Judge, a Special Judge may be elected under the same provisions, and with the same powers of said County Judge in the same manner as prescribed by Section 9919 of the Official Code of Tennessee of 1932. In the case of vacancy by death, resignation, or otherwise, the Governor is hereby empowered and authorized to appoint a successor to serve until the next General Election and until his successor is elected and qualified.

**SECTION 5.** That the County Judge of said County shall be commissioned in the same manner as other Judges of the State of Tennessee, and before entering upon the duties of his office shall take an oath to support the Constitution and laws of the United States, and the Constitution and laws of the State of Tennessee, and to faithfully discharge the duties of his office; he shall also enter into a bond in the sum of Ten Thousand Dollars (\$10,000.00), conditioned to faithfully discharge the duties of his office and to account for all moneys and County property that shall come into his hands as such County Judge.

**SECTION 6.** That the offices of the Chairman of the County Court and the Chairman pro tem. of the County Court of Cumberland County is hereby abolished from and after the date this Act becomes effective, and from and after that date the said County Judge shall have and exercise all the jurisdiction and powers of said offices. He shall preside at its sessions to be held as hereinafter provided, and shall have and exercise the same powers, jurisdiction, and authority now exercised by the Chairman in or out of said County Court, whether in session or not, except as herein provided.

**SECTION 7.** That the duties of the County Judge of the County Court of Cumberland shall not interfere with the duties of the County Court Clerk of said County as now provided by law; the said Clerk shall be and continue the Clerk of said County Court, to be held by the County Judge under the provisions of this Act, and shall have and perform all the powers, jurisdiction and authority incident to the office of the County Court Clerk.

**SECTION 8.** That the said County Judge holding said County Court shall have concurrent jurisdiction with Circuit and Chancery Courts of this State:

1. To enforce liens retained on lands by vendors where the amount of the lien does not exceed the sum on One Thousand (\$1,000.00) Dollars.
2. To allow guardians to trench and encroach upon the corpus of the estates of their wards, the same as may be done under orders and decrees of the Chancery Courts of this State, and to approve previous expenditures out of the corpus of such estates by the guardians and to allow for settlements in said matters in the same manner and to the same extent as Chancery Courts may do, where the amount involved does not exceed the sum of One Thousand (\$1,000.00) Dollars.

3. To allow any widow who is executrix of the estate of her deceased husband's estate under and by virtue of appointment of the County Court of Cumberland County, Tennessee, when she has no sufficient income of her own to expend not in excess of \$500.00 of any amount in her hands to which any minor child may be entitled as distributee of the estate of her deceased husband, for the education, support or maintenance of any such minor child residing with her; and to allow and approve any and all such expenditures heretofore made charging any minor child in excess of \$500.00, and allowing such administratrix credit therefor in her settlement of the estate of her deceased husband, it being the purpose of this section to avoid the expenses incident to guardianships.
4. To release testamentary and other trustees, and to appoint trustees in place of those released or dead, and also to decree, on petitions of trustees, by will or otherwise, for the sale of property, real or personal, where the value of the property to be sold does not exceed the sum of One Thousand (\$1,000.00) Dollars.
5. To consent to and decree a sale of the property, real or personal, of persons laboring under the disability of infancy where the value of the property to be sold does not exceed the sum of One Thousand (\$1,000.00) Dollars.
6. To remove the disability of infancy of minors residing within said County of Cumberland.
7. To hear and determine all Habeas Corpus proceedings.

**SECTION 9.** That the rules of law and procedure made and provided for the Chancery and Circuit Courts applicable to the jurisdiction of the County Court in the matters and things set out in Section 8 hereof, of which the County Court is expressly given concurrent jurisdiction, shall be applicable to said County Court and shall govern the procedure therein and shall be followed by said Court as nearly as practicable.

**SECTION 10.** That from and after the date this Act becomes effective, it shall be the duty of the County Court Clerk of said County to keep and preserve in a well-bound docket all cases provided for in this bill to be tried in said County Court; and to enter upon said dockets all suits showing the names of the plaintiffs and defendants, all motions and actions that may come before said County Judge for trial, and he shall also enter upon said docket a memorandum of all papers filed in each case pending in said Court, and no suit or action or motion before said Court shall be tried except it appears on said docket, and all suits, motions and actions shall be tried, continued, or disposed of in the order in which they appear in said docket.

**SECTION 11.** That the County Court of said County, to be held by said County Judge, shall be deemed always open for transaction of any business and the exercise of any jurisdiction conferred upon said County Judge or upon the monthly Courts held by him under existing laws; and that all process will be returnable to the first Monday coming five or more days after the service of such process. Said County Judge shall have the same power to preserve order and impose fines and imprisonments for contempt as other Judges in Tennessee.

**SECTION 12.** That appeals from the County Court in all cases in which said Court has concurrent jurisdiction with the Chancery and Circuit Courts of this State shall be to the Court of Appeals and the Supreme Court of this State in accordance with the rules and regulations of said Appellate Courts and the law as in other such cases made and provided.

**SECTION 13.** That said County Judge shall have the power, right and authority to solemnize the rites of matrimony.

**SECTION 14.** That said County Judge shall have the authority to employ special Counsel to represent the County in the persecution or defense of any claims or actions for or against the County at such price as may be agreed upon by and between said County Judge and the Attorney so employed, and pay for, same out of the County funds upon warrants issued as aforesaid.

**SECTION 15.** That said County Judge shall be thirty years of age, and shall be a resident of Cumberland County, Tennessee, for at least one year before his election or appointment.

As amended by: Private Acts of 1974, Chapter 227

**SECTION 16.** That all laws and parts of laws in conflict with this Act, be, and the same are, hereby repealed, in so far as they conflict with this Act, but not further or otherwise.

**SECTION 17.** That if any section, subsection, sentence, clause, or phrase of this Act is for any reason held to be unconstitutional and void, such decision shall not affect the validity of the remaining portions of this Act. The Legislature hereby declares that it would have passed this Act and each section, sub-section, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, or phrases be declared unconstitutional.

**SECTION 18.** That this Act take effect from and after its passage, the public welfare requiring it.

Passed: March 25, 1935.

**COMPILER'S NOTE:** The office of County Executive acquired the non-judicial duties of the County Judge as a result of the 1977 amendments to Article VII, Section 1 of the Tennessee Constitution and the implementing legislation, Chapter 934 of the Public Acts of 1978, which established the office of County Executive and abolished the office of County Judge.

## Private Acts of 1951 Chapter 247

**SECTION 1.** That in counties having a population of not less than 15,585, nor more than 15,615, according to the Federal Census of 1940, or any subsequent Federal Census, the County Judge is authorized to expend a sum not exceeding Nine Hundred (\$900.00) Dollars per annum for necessary clerical and other office expenses. The said sum shall be expended upon order of the County Judge, and warrants for the same shall be drawn upon the general county funds in monthly payments of expenses incurred.

**SECTION 2.** That this Act shall take effect from and after its passage, the public welfare requiring it.

Passed: February 21, 1951.

## Private Acts of 1951 Chapter 248

**COMPILER'S NOTE:** See also T.C.A. 8-24-102 for the current minimum compensation of the County Executive.

**SECTION 1.** That hereafter in counties having a population of not less than 15,585, nor more than 15,615, according to the Federal Census of 1940, or any subsequent Federal Census, the County Judge of said county shall receive in addition to his regular salary now allowed by law, an additional sum of Twelve Hundred (\$1,200.00) Dollars per annum, for his administrative duties and for his services as fiscal agent of said county, the same to be paid monthly from the general county funds.

As amended by: Private Acts of 1953, Chapter 452

**SECTION 2.** That this Act shall take effect from and after its passage, the public welfare requiring it.

Passed: February 21, 1951.

## Cumberland Plateau Regional Water Authority

### Private Acts of 1999 Chapter 45

**SECTION 1.** Purpose and creation of Authority.

(a) A governmental authority to be known as the "Cumberland Plateau Regional Water Authority" is hereby created and established for the purpose of planning, acquiring, constructing, improving, extending, furnishing, equipping, financing, owning, operating, and maintaining a water and wastewater system, including treatment, storage, distribution and collection facilities, properties, and services, as hereinafter provided; the selling, donating, conveying, or otherwise disposing of water and wastewater; and undertaking any project or work related thereto or connected therewith. The Authority shall be a public and governmental body acting as an instrumentality and agency of the county and districts, and the powers granted are for public and governmental purposes and matters of public necessity.

(b) The purpose of the Authority is also to plan and develop the water resources of the geographic region and to provide necessary wastewater collection and treatment attendant thereto. The further purpose of the Authority is to provide environmental services and to secure economic benefits to the geographic region that it encompasses and may serve.

**SECTION 2.** Definitions.

Whenever used in this act, unless a different meaning clearly appears in the context, the following terms, whether used in the singular or plural, shall be given the following respective interpretations:

- (1) "Authority" means the Cumberland Plateau Regional Water Authority created by this act;
- (2) "Board" means the Board of Directors of the Authority;
- (3) "Bonds" means bonds, interim certificates or other obligations of the Authority issued pursuant

to this act including joint obligations of the Authority and the county, districts or municipalities;

(4) "County" means Cumberland County, Tennessee;

(5) "Districts" refer to the Catoosa Utility District, the Crab Orchard Utility District, Grandview Utility District, the South Cumberland Utility District, and the West Cumberland Utility District.

(6) "Governing Body" means the Chief Legislative Body of a municipality, as hereinafter defined;

(7) "Municipality" means any county, incorporated city or town, utility district, or other municipal, or governmental body or subdivision in this State, thereof now or hereafter authorized by law to be created;

(8) "Notes" means notes or interim certificates of the Authority issued pursuant to this act, including joint obligations of the Authority and the county and/or districts.

(9) "Person" means any individual, firm, partnership, association, corporation, or any combination thereof;

(10) "Refunding Bonds" means refunding bonds, issued pursuant to this act, including joint obligations of the Authority and the county issued pursuant to this act and Tennessee Code Annotated, Title 9, Chapter 21, Parts 1 and 9, to refund bonds of the Authority or bonds issued to refund bonds or notes of the county, the districts, or a municipality issued by such county, district or municipality, the proceeds of which were used to construct, acquire, extend, improve or equip all or a portion of a system acquired by the Authority or to refund bonds, the proceeds of which were used for such purposes;

(11) "State" means the State of Tennessee; and

(12) "System" means a water and wastewater system, which shall include, but not be limited to, all devices and systems used in the storage, treatment, recycling and reclamation of sewage of residential, commercial and industrial wastes of a liquid nature to restore and maintain the chemical, physical and biological integrity of the State's waters; or any devices and systems used in the treatment and distribution of water, including intercepting sewers, outfall sewers, sewage collection systems, water storage facilities, water transmission lines, pumping, power and other equipment, and other appurtenances, extensions, improvements, remodeling, additions and alterations thereof; elements essential to provide a reliable recycled supply, such as standby treatment units and clear well facilities, and any works.

### **SECTION 3. Board of Directors.**

(a) The Authority shall have a Board of Directors in which all powers of the Authority shall be vested. Each Director shall have an equal vote in the affairs of the Authority.

(b) The initial membership of the Board of Directors shall consist of six (6) Directors designated as follows:

(1) The County Executive of Cumberland County or the designee of the County Executive who is named in a revocable written instrument executed by the County Executive;

(2) One (1) Director to be selected by each of the governing bodies of the Catoosa Utility District, the Crab Orchard Utility District, Grandview Utility District, the South Cumberland Utility District, and the West Cumberland Utility District. The governing body of each utility district is hereby authorized to appoint one (1) person as Director.

(3) Upon adoption of a resolution by a two-thirds (2/3) vote of the municipal governing body of the City of Crossville, the governing body of such municipality shall appoint one (1) person to serve as an additional Director on the Board of Directors.

(4) Upon execution of an agreement between any other municipality and the authority as provided for in Section 18 of this act, the governing body of any such municipality shall appoint one (1) person to serve as an additional Director on the Board of Directors.

(c) All vacancies on the Board shall be filled as follows:

(1) For the Director selected pursuant to subdivision (b)(1) above, vacancies shall be filled by the County Executive of Cumberland County or his designee;

(2) For the Directors selected pursuant to subdivision (b)(2) above, vacancies shall be filled by the governing body of the utility district which was represented by the departing Director.

(3) For the Directors selected pursuant to subdivision (b)(3) above, vacancies shall be filled by the governing body of the municipality which was represented by the departing Director.

(d) The term of a Director serving pursuant to subdivision (b)(1) shall be concurrent with the term of office of the County Executive of Cumberland County. The term of a Director serving pursuant to subdivision (b)(2), or the term of a Director representing a utility district pursuant to subdivision (b)(3) shall be four (4) years. The term of a Director serving pursuant to subdivision (b)(3) representing a municipality other than a utility district shall be concurrent with the term of office of the chief executive of such municipality.

(e) A majority of the Board constitutes a quorum, and the Board shall act by a vote of a majority present at any meeting attended by a quorum. Vacancies among the Directors shall not affect their power and authority, so long as a quorum remains. Within thirty (30) days after their selection, as herein provided, the Board shall hold a meeting to elect a Chairman, a Vice-Chairman, a Secretary and a Treasurer, and/or such other officers as shall from time to time be deemed advisable by the Board. The Secretary shall keep minutes of all regular and special meetings of the Authority. Such minutes shall be available for inspection by the public at the office of the Authority at all reasonable times.

(f) The Board shall hold meetings at such times and places as the Board may determine and all such meetings shall be open to the public. Special meetings may be called and held upon such notice and in such manner as the Board may, by resolution, determine. Except as otherwise expressly provided herein, the Board shall establish its own rules of procedure. Any action taken by the Board exercising its powers and authority under the provisions of this act may be exercised by vote or resolution at any regular or special meeting.

(g) All Directors shall serve with compensation as the Board may determine by resolution. The Board, upon a majority vote, may set compensation up to but not exceeding one hundred dollars (\$100) per Director per meeting of the Authority; provided, however, that the Directors shall not be compensated for more than twelve (12) meetings in one calendar year.

**SECTION 4. Powers of the Authority.**

The Authority shall have the following powers in addition to those specified in other sections of this act, together with powers incidental thereto or necessary for the performance of those hereinafter stated.

- (1) To sue and be sued and to prosecute and defend, at law or in equity, in any court having jurisdiction of the subject matter and of the parties;
- (2) To have a seal and to alter the same at pleasure, provided, however, the absence thereof shall have no effect on the validity of any document, instrument or other writing;
- (3) To plan, establish, acquire, whether by purchase, exchange, gift, devise, lease, the exercise of the power of eminent domain, or otherwise, and to construct, equip, furnish, improve, repair, extend, maintain, and operate one (1) or more systems within or without the geographic boundary and service areas of the county or districts as such boundaries now or may hereafter exist, including all real and personal property, facilities, and appurtenances which the Board of the Authority may deem necessary in connection therewith and regardless of whether or not such system shall then be in existence;
- (4) To enter into agreements with the county, the districts and any municipality for the orderly transfer of all or any part of the system of the county, the districts or such municipality, and to the extent permitted by law and contract, to assume, to reimburse or to otherwise agree to pay outstanding obligations or liabilities of the county, the districts or such municipality incurred to acquire, extend or equip the system;
- (5) To enter into agreements with the county, the districts and any other municipality, to acquire by lease, gift, purchase or otherwise any system or property related thereto, of the county, the districts or such municipality and operate such system separately or as a part of its systems; or enter into agreements with the county, the districts or any municipality providing for the operation by the Authority of the system, or any portion thereof, owned by the county, the districts or municipality;
- (6) To acquire, whether by purchase, exchange, gift, devise, lease, the exercise of the power of eminent domain, other otherwise, any and all types of property, franchises, assets, and liabilities, whether real, personal, or mixed, tangible or intangible, and whether or not subject to mortgages, liens, charges or other encumbrances and to hold, sell, lease, exchange, donate, or convey its properties, facilities, services, but only for the purpose of continuing operation of any system by the Authority, whenever the Board of the Authority shall find such action to be in furtherance of the purposes for which the Authority is hereby created; provided, however, revenues of any system of the Authority is hereby accounted for in such manner as not to impair the obligations of contract with reference to bond issues or other legal obligations of the transferor and shall fully protect and preserve the contract rights vested in the owners of outstanding bonds, obligations, or contractual



- interests; provided, further, any income from the sale of the such properties, facilities, and services shall be dedicated to the continued operation of any system by the Authority;
- (7) To buy, sell, store, treat and distribute water; to collect and provide treatment for wastewater from, with or to any municipality or other governmental unit of the State or any agency thereof or the United States or any agency thereof, or any persons whether public or private, and to enter into contracts, agreements, or other arrangements with the county, districts, any municipality or other persons in connection therewith;
- (8) To make and enter into all contracts, trust instruments, agreements, and other instruments with the county, districts, any municipality, the State or agency thereof, the United States or any agency thereof, or any person, including without limitation, bonds, notes, loan agreements with the Tennessee Local Development Authority and/or the Tennessee Department of Environment and Conservation and other forms of indebtedness as if it were a local government as such term is defined in applicable statutes governing grants and loans, to construct, equip or extend the system, and to enter into contracts for the management and operation of a system or any facilities or service of the Authority for the treatment, processing, collection, distribution, storage, transfer, or disposal of water and wastewater;
- (9) To incur debts, to borrow money, to issue bonds, and to provide for the rights of the holders thereof;
- (10) To apply for, accept and pledge donations, contributions, loans, guarantees, financial assistance, capital grants, or gifts from the county, districts, any municipality, the State or any agency thereof, the United States or any agency thereof, or any person, whether public or private, for or in aid of the purposes of the Authority, to enter into agreements in connection therewith and to accept the same;
- (11) To pledge all or any part of the revenues, receipts, donation, contributions, loans, guarantees, financial assistance, capital grants, or gifts of the Authority, to mortgage and pledge one (1) or more of its systems or any part or parts thereof, whether then owned or thereafter acquired, and to assign and pledge all or any part of its interest in and rights under contracts and other instruments relating thereto as security for the payments of the principal, premium, if any, and interest on bonds, refunding bonds, loan agreements or notes issued by the Authority;
- (12) To have control of its systems, facilities, and services with the right and duty to establish and charge rates, fees, rental, tolls, deposits and other charges for the use of the facilities and services of the Authority, of the sale of materials or commodities by the Authority and to collect revenues and receipts therefrom, not inconsistent with the rights of holders of its bonds, refunding bonds, and notes;
- (13) To enter onto any lands, waters, and premises for the purpose of making surveys, soundings, and examinations in and for the furtherance of the purposes authorized by this act;
- (14) To use any right-of-way, easement, or other similar property right necessary or convenient in connection with a system, held by the State or any political subdivision thereof, provided the governing body of such political subdivision consents to such use;
- (15) To employ and pay compensation to such agents, including attorneys, accountants, engineers, architects, and financial advisors, as the Board shall deem necessary for the business of the Authority;
- (16) To employ and pay compensation to such employees, including a general manager, who shall have such authority, duties, and responsibilities as the Board deems necessary;
- (17) To procure and enter into contracts for any type of insurance or indemnity against loss or damage to property from any cause, including loss of use and occupancy, against death or injury of any act of any member, officer, or employee of the Authority in the performance of the duties of the office or employment or any other insurable risk, including the payment of its bonds, refunding bonds or notes, as the Board in its discretion may deem necessary;
- (18) To enter into, by contract with the county and/or the districts, or otherwise, a plan for pension, disability, hospitalization and death benefits for the officers and employees of the Authority;
- (19) To exercise all powers expressly given to it and necessarily implied therefrom, to make and execute contracts and all other instruments necessary or convenient to do any and all things for the exercise of its powers hereunder, and to establish and make rules and regulations not inconsistent with the provision of this act, deemed expedient for the management of the Authority's affairs;
- (20) To adopt by majority vote of the Board the purchasing procedures for utility districts as

defined in Tennessee Code Annotated Title 7, Chapter 82, Part 8; and

(21) To make all necessary investments, in the discretion of the Board, consistent with the powers of local governments to make such investments as provided in Tennessee Code Annotated Title 9, Chapter 1, Section 107.

**SECTION 5.** Condemnation and eminent domain.

The Authority may condemn in its own name any land, rights in land, easements, and/or rights-of-way which in the judgment of the Board, are necessary for carrying out the purposes for which the Authority is created, 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 persons having the power of eminent domain, or otherwise held or used for public purposes; provided, however, such prior public use will not be interfered with by the use to which such property will be put by the Authority; provided further, the exercise of eminent domain power shall be approved by a majority of those present and voting of the Board of the Authority. Such power of condemnation may be exercised in the manner prescribed by any applicable statutory provisions now in force or hereafter enacted for the exercise of the power of eminent domain.

**SECTION 6.** Rates sufficient to pay costs and retire bonds.

The Board shall prescribe and collect reasonable rates, fees, tolls, or charges for the services, facilities, and commodities of any system, shall prescribe penalties for the nonpayment thereof, and shall revise such rates, fees, tolls or charges from time to time whenever necessary to insure that any system shall be and always remain self-supporting. The rates, fees, tolls, or charges prescribed shall be such as will always produce revenue at least sufficient:

- (1) To provide for all expenses of operation and maintenance of the system, including reserves therefor;
- (2) To pay when due all bonds, notes and interest and premium thereon for the payment of which such revenues are or shall have been pledged, charged, or otherwise encumbered, including reserves therefor; and
- (3) To provide for the extension or improvement of the system. Provided, however, that the Authority shall charge equal rates to the county, the districts, and any municipality hereinafter entering into such an agreement with the Authority as provided in Section 18 of this act. This provision shall apply to the rates charged for the provision of services as outlined in Section 4 (7) of this act.

**SECTION 7.** Notes of the Authority.

(a) The Authority may issue, by resolution adopted by the Board, interest-bearing bond anticipation notes for all purposes for which bonds can be legally authorized and issued by the Authority. Such notes shall be secured by the proceeds from the sale of the bonds in anticipation of which the notes are issued and additionally secured by a lien upon the revenues of the system on a parity with the bonds in anticipation of which such notes are issued. In no event shall the amount of outstanding bond anticipation notes exceed the principal amount of the bonds to be issued by the Authority. The notes shall mature not later than two (2) years from their date of issuance and may be extended or renewed for not more than two (2) additional periods of two (2) years each by resolution of the Board and the issuance of renewal or extension notes.

(b) Notes shall be sold at public or private sale for not less than ninety-seven percent (97%) of the par value thereof and accrued interest as the Board may direct. Notes may be sold in one (1) or more series, may bear such date or dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denomination or denominations, may be in such form, either coupon or registered, may be payable at such place or places, may be executed in such manner, may be payable in such medium of payment, may be subject to such terms of redemption, without a premium or, for notes sold for not less than the par value thereof and accrued interest, without or with a premium, all as may be provided by resolution of the Board.

(c) Notes shall be executed in the name of the Authority by the proper officials authorized to execute the same, together with the seal of the Authority attached thereto.

(d) The proceeds arising from the sale of such notes shall be disbursed as provided by the resolution authorizing the issuance of the notes. The term "bond anticipation notes" includes interim certificates or other temporary obligations which may be issued by the Authority to the purchaser of such notes upon the terms and conditions herein provided. When the bonds shall be issued and sold a sufficient amount of the proceeds of the bonds shall be applied to the payment of the notes at their maturity or upon their earlier redemption as directed by the Board of resolution.

(e) The Authority herein granted to issue "bond anticipation notes" also includes the issuance of "grant anticipation notes," to be secured by the grant in anticipation of which such notes are issued, with all

provisions of this section being applicable to such grant anticipation notes.

**SECTION 8.** Bonds of the Authority.

(a) The Authority shall have the power to issue bonds from time to time to finance the construction, purchase, acquisition, extension, improvements and equipping of one (1) or more systems. All bonds issued shall be payable solely out of the revenues and receipts derived from the system for which such bonds are issued or as may be designated in the proceedings under which the bonds shall be authorized to be issued. Such bonds may be issued in one (1) or more series, may be executed and delivered at any time and from time to time, may be in such form and denomination and of such terms and maturities, may be subject to redemption prior to maturity either with or without premium, may be in fully registered form, may bear such conversion privileges and be payable in such installments and at such time or times not exceeding forty (40) years from the date thereof, may be payable at such place or places whether within or without the State of Tennessee, may bear interest at such rate or rates payable at such time or times and at such place or places and evidenced in such manner, and may contain such provisions not inconsistent herewith, all as shall be provided in the proceedings whereunder the bonds shall be authorized to be issued.

(b) Bonds may be sold at public or private sale for such price and in such manner and from time to time as may be determined by the Board of Directors to be most advantageous, and the Authority may pay any and all expenses, premiums, and commission which its Board of Directors may deem necessary or advantageous in connection with the issuance thereof.

(c) All bonds and the interest applicable thereto are hereby made and shall be construed to be negotiable instruments.

(d) Interim certificates or notes or other temporary obligations pending the issuance of revenue bonds shall be payable out of proceeds of bonds or other funds of the Authority available for such purpose.

(e) Proceeds of bonds may be used for the purpose of constructing, acquiring, reconstructing, improving, equipping, furnishing, bettering, or extending a system, including the payment of interest on the bonds during construction of any project for which bonds are issued and for two (2) years after the estimated date of completion, the payment of engineering, fiscal, architectural, bond insurance, and legal expenses incurred in connection therewith and the issuance of bonds, and the establishment of a reasonable reserve fund for the payment of principal of and interest on such bonds if a deficiency occurs in the revenues and receipts available for such payment.

**SECTION 9.** Refunding bonds of the Authority.

(a) Any bonds at any time outstanding may at any time and from time to time be funded by the issuance of refunding bonds in such amount as the Board may deem necessary, but not exceeding the sum of the following:

- (1) The principal amount of the bonds being refinanced;
- (2) Applicable redemption premiums thereon;
- (3) Unpaid interest on such bonds to the date of delivery or exchange of the refunding bonds;
- (4) If the proceeds from the sale of the refunding bonds are to be deposited in trust as hereinafter provided, interest to accrue on such obligations from the date of delivery to the first or any subsequent available redemption date or dates elected, in its discretion, by the Board, or to the date or dates of maturity, whichever shall be determined by the Board to be the most advantageous or necessary to the Authority;
- (5) A reasonable reserve for the payment of principal of and interest on such bonds and/or a renewal and replacement reserve;
- (6) If the project to be constructed from the proceeds of the obligations being refinanced has not been completed, an amount sufficient to meet the interest charges on the refunding bonds during the construction of such project and for two (2) years after the estimated date of completion (but only to the extent that interest charges have not been capitalized from the proceeds of the obligations being refinanced); and
- (7) Expenses, premiums, and commissions of the Authority, including bond discount deemed by the Board to be necessary for the issuance of the refunding bonds. A determination by the Board that any refinancing is advantageous or necessary to the Authority or that any of the amounts provided in the preceding sentence shall be included in such refinancing, or that any of the obligations to be refinanced shall be called for redemption date or permitted to remain outstanding until their respective dates of maturity, shall be conclusive.

(b) Any such refunding may be effected whether the bonds to be refunded shall have then matured or

shall thereafter mature, either by the exchange of the refunding bonds for the bonds to be refunded thereby with the consent of the holders of the bonds so to be refunded, or by sale of the refunding bonds and the application of the proceeds thereof to the payment of the bonds refunded thereby, and regardless of whether or not the bonds to be refunded were issued in connection with the same projects or separate projects, and regardless of whether or not the bonds proposed to be refunded shall be payable on the same date or different dates or shall be due serially or otherwise.

(c) At the time of delivery of the refunding bonds, the bonds to be refunded will not be retired or a valid and timely notice of redemption of the outstanding bonds is not given in accordance with the resolution, indenture or other instrument governing the redemption of the outstanding bonds, then, prior to the issuance of the refunding bonds, the Board shall cause to be given adequate notice of its intention to issue the refunding bonds. The notice shall be given either by mail to the owners of all the outstanding bonds to be refunded at their addressees shown on the bond registration records for the outstanding bonds, or given by publication, or by such other means which may be deemed sufficient pursuant to the laws of this State. The notice shall set forth the estimated date of delivery of the bonds, refunding bonds and identify the bonds, or the individual maturities thereof, proposed to be refunded; provided, that if portions of individual maturities are proposed to be refunded the notice shall identify the maturities subject to partial refunding and the aggregate principal amount to be refunded within each maturity. If the issuance of the refunding bonds does not occur as provided in the notice, the governing body shall cause notice thereof to be given as provided above. Except as otherwise set forth in this section, the notice required pursuant to this section shall be given whether or not any of the bonds to be refunded are to be called for redemption.

(d) If any of the obligations to be refunded are to be called for redemption, notice of redemption shall be given in a manner required by the proceedings authorizing such outstanding obligations.

(e) The principal proceeds from the sale of any refunding bonds shall be applied only as follows: either,

(1) To the immediate payment and retirement of the bonds being refunded; or

(2) To the extent not required for immediate payment of the bonds being refunded, such proceeds shall be deposited in trust to provide for the payment and retirement of the bonds being refunded and to pay any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including, without limitation, provisions for the pledging of any such surplus to the payment of the principal of, premium, if any, and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in the discretion of the Board.

(f) Nothing herein shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded, but which shall not have matured and which shall not be presently redeemable or, if presently redeemable, shall not have been called for redemption.

**SECTION 10.** Security for payment of bonds and notes.

(a) The principal of, premium, if any, and interest on any bonds, refunding bonds and notes may be secured by a pledge of revenues and receipts of a system. The proceedings under which the bonds, refunding bonds or notes are authorized to be issued may contain any agreements, provisions and covenants respecting the maintenance of such system or other facilities covered thereby, the fixing and collection of rents, fees or payments with respect to any system or portions thereof covered by such proceedings, the creation and maintenance of special funds from such revenues and from the proceeds of such bonds, refunding bonds and notes and the rights and remedies available in the event of default, all as the Board shall deem advisable and not in conflict with the provisions of this act. To the extent provided in the proceedings authorizing any bonds, refunding bonds or notes, each pledge and agreement made for the benefit of security of any of the bonds, refunding bonds or notes shall continue in effect until the principal of and interest on the bonds, refunding bonds or notes for the benefit of which the same were made shall have been fully paid or adequate provision for the payment thereof shall have been made by the Authority. In the event of a default in such payment or in any agreements of the Authority made as part of the proceedings under which the bonds, refunding bonds or notes were issued, such payment or agreement may be enforced by suit, mandamus, or the appointment of a receiver in equity, or the proceedings under which the bonds, refunding bonds or notes are issued.

(b) The Board may designate the appropriate officials to execute all documents necessary to guarantee or in any other manner to secure the payment of the bonds or notes of the Authority; provided, however, the approval of the governing body of the county or district to such guarantee or security shall have been obtained before the execution of such documents. Provided, further prior to any meeting where such authorization will be considered by the governing body of the county or district, the governing body shall cause reasonable public notice to be published describing the matter to be considered and containing an estimate of the dollar amount of any contingent liability by the county or district of such authorization is

given.

(c) Bonds, notes or refunding bonds may constitute a joint obligation of the Authority and the county or district. Any such bond, note or refunding bond upon which the county is jointly obligated with the Authority may be secured by the full faith and credit and unlimited ad valorem taxing power of the county. Bond, notes or refunding bonds issued as a joint obligation of the Authority and the county shall be issued in the form and manner of Tennessee Code annotated, Title 9, Chapter 21, Parts 1, 2, and 9, where applicable, and in the event of a conflict between this act and Tennessee Code Annotated Title 9, Chapter 21, Parts 1, 2, and 9, then the provisions of Tennessee Code Annotated, Title 9, Chapter 21, Parts 1, 2, and 9 shall prevail. Notes issued as a joint obligation of the Authority and the county shall be issued in the form and manner of Tennessee Code Annotated Title 9, Chapter 21, Parts 1, 4 and 5, where applicable and in the event of a conflict between this act and the provisions of Tennessee Code Annotated, Title 9, Chapter 21, Parts 1, 4 and 5 shall prevail.

(d) Any bond, note or refunding bond issued under this act may be secured by a mortgage or deed of trust covering any or all part of the property, real or personal, of the Authority. Any pledge, of lien, on revenues, fees, rents, tolls or other charges received or receivable by any local government to secure the payment of any bonds, notes or refunding bonds issued pursuant to the act and the interest thereon, shall be valid and binding from the time that the pledge or lien is created and granted and shall inure to the benefit of the holder or holders of any such bonds, notes or refunding bonds until payment in full of the principal and premium and interest thereon. Neither the resolution nor any other instrument granting, creating or giving notice of the pledge of a lien, or other such security interest, need be filed or recorded to preserve or protect the validity or priority of such pledge or lien.

**SECTION 11.** Exemption from taxation and State regulation.

(a) The Authority, its properties at any time owned by it and the income and revenues therefrom shall be exempt from all State, county and municipal taxation. All bonds, notes and refunding bonds issued by the Authority and the income therefrom shall be exempt from all State, county, and municipal taxation, except inheritance, transfer and estate taxes, or except as otherwise provided by state law. For purposes of Tennessee Code Annotated Title 42, Chapter 2, and any amendments thereto or substitution therefor, bonds issued by the Authority shall be deemed to be securities issued by a public instrumentality or a political subdivision of the State.

(b) Neither the Tennessee Regulatory Authority nor any other Board or commission of like character hereafter created shall have jurisdiction over the Authority in the management and control of a system, including the regulation of its rates, fees, tolls, or charges, except to the extent provided by this act; provided, however, the Authority is subject to regulation by the Department of Health and the Department of Environment and Conservation as a public water supply and public sewerage system.

**SECTION 12.** Liability and indebtedness of political subdivisions.

(a) Neither the county, the districts, the State, nor any municipality other than the Authority shall, except as may otherwise be authorized by the Board of Directors of the Authority and the governing body of the particular governmental entity, in any event be liable for the payment of the principal of, premium, if any, or interest on any bonds, notes or refunding bonds of the Authority or for the performance of any pledge, obligation, or agreement of any kind whatsoever which may be undertaken by the Authority, and none of the bonds, notes or refunding bonds of the Authority or any of its agreements or obligations shall be construed to constitute an indebtedness of the State, or any municipality within the meaning of any constitutional or statutory provision whatsoever.

(b) Bonds, notes or refunding bonds of the Authority shall not constitute a debt or a pledge of the faith and credit of the State or any municipality, except as may otherwise be authorized by the governing body of the county, district or municipality, and the holders or owners of such bonds shall have no right to have taxes levied by any municipality, the State or any other taxing authority within the State for the payment of principal of, premium, if any, and interest on such bonds, but shall be payable solely from revenues and monies pledged for their payment.

(c) Except as may otherwise be authorized by the governing body of the county or district(s) as specified hereinabove, all such bonds shall contain on the face thereof a statement to the effect that the bonds, refunding bonds or notes are not a debt of the State or any municipality or any other taxing authority within the State, but are payable solely from revenues and monies pledged to the payment thereof.

**SECTION 13.** Disposition of Funds.

No part of the net earnings of the Authority remaining after payment of its expenses shall inure to the benefit of any persons except that, at such times as no bonds, note or refunding bonds of the Authority are outstanding and unpaid and adequate provision has been made for the full payment of all liabilities, obligations and contracts of the Authority, and the Authority shall have, by operation of law, been

terminated, any assets of the Authority, to the extent not necessary for such purposes, shall be paid to the county, to the districts, and to any municipality represented on the Board, in equal proportions. To the extent allowed by this act, nothing herein contained shall prevent the Board from transferring its properties in accordance with the terms of any contract, agreement, or covenant entered into or undertaken by the Authority.

**SECTION 14.** Budget: annual audits; contracting procedures; personnel procedures.

(a) The Board shall annually establish and adopt a budget for the Authority.

(b) The Board shall cause to be prepared each fiscal year an annual audit of the books and records of the Authority. The Comptroller of the Treasury, through the Department of Audit, is responsible for determining that such audits are prepared in accordance with generally accepted governmental auditing standards. A copy of such annual audit shall be filed with the office of the County Executive of Cumberland County, and with the governing bodies of the districts. The Board shall establish employment procedures, compensation levels and benefits for the employees of the Authority.

**SECTION 15.** Powers of the districts.

(a) The districts may take all actions hereunder by resolution of its governing body. The districts shall have all powers necessary in order to further the purposes of this act, including without limitation, the power to sell, lease, dedicate, donate, or otherwise convey to the Authority any of its interests in any existing water and wastewater system, franchises, assets, liabilities, or other related property, whether real or personal, or mixed, tangible or intangible, and whether or not subject to mortgages, liens, charges, or other encumbrances, or grant easements, licenses, or other rights or privileges therein to the Authority and to contract with the Authority.

(b) The districts may enter into agreements with the Authority for the orderly transfer of all or any part of its system and to enter into agreement for the Authority to assume, to pay or to refund bonds, refunding bonds and notes issued by the districts or loan agreements entered into by the districts to acquire, construct or equip all or any part of a system.

(c) The districts are authorized to advance, donate or lend money to the Authority and to provide that funds available to it for a system shall be paid to the Authority.

(d) A utility district shall have the same right to enter into any agreement with the Authority that the Board deems necessary to carry out the purposes of this act, as the utility district has to enter into similar agreements with water and wastewater treatment authorities as provided by Tennessee Code Annotated Title 68, Chapter 221, Page 6, and as provided by the Utility District Law, Tennessee Code Annotated Title 7, Chapter 82.

**SECTION 16.** Powers of the County.

(a) The county may take all actions hereunder by resolution of its governing body. The county shall have all powers necessary to further the purposes of this act, including without limitation, the power to sell, lease, dedicate, donate, or otherwise convey to the Authority any of its interests in any existing water and wastewater system, franchises, assets, liabilities, or other related property, whether real or personal, or mixed, tangible or intangible, and whether or not subject to mortgages, liens, charges, or other encumbrances or grant easements, licenses or other rights or privileges therein to the Authority and to contract with the Authority.

(b) The county, through its governing body is authorized to issue joint obligations with Authority and to pledge its full faith and credit and unlimited taxing power to such bonds, note or refunding bonds and to guarantee the bonds, notes or refunding bonds as set forth in Section 10.

(c) The county may enter into agreements with the Authority for the orderly transfer of all or any part of its system and to enter into agreements with the Authority for the Authority to assume, to pay or to refund bonds, refunding bonds and notes issued by the county or loan agreements entered into by the county to acquire, construct or equip all of any part of a system.

(d) The county may advance, donate or lend money to the Authority and to provide that funds available to it for a system shall be paid to the Authority.

(e) The county has the power to enter into any other agreement with the Authority that the Board deems necessary to carry out the provisions of this act.

**SECTION 17.** Powers not restricted.

Neither this act nor anything herein contained shall be construed as a restriction or a limitation upon any powers which a county, city or utility district might otherwise have under any laws of this State, but shall be construed as cumulative of and supplemental to any such powers. No proceeding, notice, or approval

shall be required with respect to the issuance of any bonds, refunding bonds or notes of the Authority or any instrument as security therefor except as provided in this act, any law to the contrary notwithstanding; provided, however, nothing herein shall be construed to deprive the State of Tennessee and its governmental subdivisions of their respective police powers, or to impair any power of any official or agency of said State and its governmental subdivisions which may be otherwise provided by law.

**SECTION 18.** Agreements with the Authority.

The Authority is hereby authorized, whenever the same shall be found desirable by its Board, to enter into contracts, agreements or other arrangements with any municipality regarding a system, any facility, or any service of the Authority. Any such contract or agreement may extend for any period not exceeding forty (40) years from the date thereof.

Upon execution of such agreement, the governing body of each municipality shall appoint one (1) person to serve as an additional Director on the Board of Directors of the Authority, pursuant to the terms set forth in Section 3 of this act.

Any utility district seeking to enter into such agreement with the Authority shall have the same rights and liabilities as it would otherwise have in entering into a similar agreement with a water and wastewater treatment authority as provided by Tennessee Code Annotated Title 68, Chapter 221, Part 6, and as provided by the Utility District Law, Tennessee Code Annotated Title 7, Chapter 82.

**SECTION 19.** Liberal construction.

This act is remedial in nature and shall be liberally construed to effect its purpose of providing for a systematic and efficient means of distributing and encouraging the best utilization and conservation of water resources and wastewater service and the powers herein granted may be exercised without regard to requirements, restrictions or procedural provisions contained in any other law or charter except as herein expressly provided. Provided, however, that the continued operation of any utility district entering into an agreement with the Authority, including the districts, as provided in Section 18 of this act, shall be in compliance with the Utility District Law, Tennessee Code Annotated, Title 7, Chapter 82.

**SECTION 20.** Severability.

If any provision of this act or the application thereof to any person or circumstance is held to be invalid, such invalidity shall not affect any other provision or application of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

**SECTION 21.** Local approval.

This act shall not take effect unless approved by a two-thirds (2/3) favorable vote of the Governing Body of Cumberland County, Tennessee, which action may be by resolution. Its approval or disapproval shall be proclaimed by the Presiding Officer of the Governing Body and certified by such officer to the Secretary of State.

**SECTION 22.** Effective date.

This act shall take effect immediately upon becoming law, for purposes of approving or rejecting the provisions of this act, the public welfare requiring it. For all other purposes, the act shall be effective only upon securing the approval as required by Section 21.

Passed: May 28, 1999.

## Cumberland Plateau Water Authority

### Private Acts of 2022 Chapter 58

**SECTION 1.** Creation of Authority.

A water and wastewater authority to be known and designated as the Cumberland Plateau Water Authority is hereby created and established for and on behalf of the citizens of Cumberland County, Tennessee.

**SECTION 2.** Purpose of Authority.

It is hereby declared that the Cumberland Plateau Water Authority created pursuant to this act shall be public and a governmental body and a political subdivision of the State of Tennessee. It is further declared that the planning, acquisition, operating, and financing of water and wastewater systems by said Authority is hereby declared to be a public and governmental purpose and a matter of public necessity.

**SECTION 3.** Definitions.

Whenever used in this act, unless a different meaning clearly appears in the context, the following terms, whether used in the singular or plural, shall be given the following respective interpretations:

- (a) "Authority" means the Cumberland Plateau Water Authority created by this act;
- (b) "Board" means the board of commissioners of the Authority;
- (c) "Bonds" means bonds, interim certificates, or other debt obligations of the Authority issued pursuant to this act, including joint obligations of the Authority and the County and/or City;
- (d) "City" means the City of Crossville, Tennessee;
- (e) "County" means Cumberland County, Tennessee;
- (f) "Districts" means any water utility within the region;
- (g) "Governing Body" means the chief legislative body of the County, the City, or the Districts;
- (h) "Municipality" means any county, incorporated city or town, utility district, or other municipal body or subdivision in this State, thereof now or hereafter authorized by law to be created;
- (i) "Notes" means notes or interim certificates of the Authority issued pursuant to this act, including joint obligations of the Authority and the County and/or the City;
- (j) "Person" means any individual, firm, partnership, association, corporation, or any combination thereof;
- (k) "Refunding Bonds" means refunding bonds, issued pursuant to this act, including joint obligations of the Authority and the County and/or the City issued pursuant to this act and Tennessee Code Annotated, Title 9, Chapter 21, Parts 1, 9, and 10 to refund bonds of the Authority or bonds issued to refund bonds or notes of the County, the City, or the Districts, issued by the County, the City, or the Districts, the proceeds of which were used to construct, acquire, extend, improve, or equip all or a portion of a system acquired by the Authority or to refund bonds, the proceeds of which were used for such purposes;
- (l) "State" means the State of Tennessee;
- (m) "System" means a water or wastewater system used in the treatment and distribution of water or the collection and treatment of wastewater, including treatment facilities, transmission lines, distribution lines, collection lines, storage facilities, pumping, power, and other equipment, and their appurtenances, extensions, improvements, remodeling, additions, and other alterations thereof; and
- (n) "Utility" means any public or quasi-public entity that provides water or wastewater services to the public.

**SECTION 4. Board of Commissioners - Qualification and Selection.**

(a) The governing body of the Authority shall be a board of commissioners of seven (7) persons of good standing and reputation who shall have been residents of Cumberland County for more than one (1) year. No such person shall be an employee of any water or wastewater utility in Cumberland County.

(b) The board of commissioners shall consist of the following persons:

(1) One (1) representative who resides within the geographic boundaries of the Crab Orchard Utility District as the Crab Orchard Utility District exists on the date of the adoption of this act. This representative will be appointed by the Cumberland County Mayor and approved by a majority of the governing body, and will serve an initial term of four (4) years;

(2) One (1) representative who resides within the geographic boundaries of the South Cumberland Utility District as the South Cumberland Utility District exists on the date of the adoption of this act. This representative will be appointed by the Cumberland County Mayor and approved by a majority of the governing body, and will serve an initial term of three (3) years;

(3) One (1) representative who resides within the geographic boundaries of the West Cumberland Utility District as the West Cumberland Utility District exists on the date of the adoption of this act. This representative will be appointed by the Cumberland County Mayor and approved by a majority of the governing body, and will serve an initial term of two (2) years;

(4) One (1) representative who resides within the geographic boundaries of the Catoosa Utility District as the Catoosa Utility District existed on August 18, 2005, which is the date Catoosa Utility District consolidated with the City of Crossville. This representative will be appointed by the Cumberland County Mayor and approved by a majority of the governing body, and will serve an initial term of one (1) year; and

(5) Three (3) representatives who shall reside within the municipal boundaries of the City of Crossville, which are not included within the geographic boundaries of the Crab Orchard Utility District, South Cumberland Utility District, or West Cumberland Utility District. These three (3) representatives will



be appointed by the Mayor of the City of Crossville and approved by a majority of the governing body. The Mayor of the City of Crossville will designate one (1) representative to serve an initial term of four (4) years, one (1) representative to serve an initial term of three (3) years, and one (1) representative to serve an initial term of two (2) years.

(c) Vacancies on the Authority's board shall be filled by the appointing authority for that commissioner office as set forth in Section 4(b). The appointee must reside within the same geographic boundaries as the appointee's predecessor as set forth in Section 4(b).

(d) No later than thirty (30) days prior to the expiration of the term of office of any incumbent commissioner or within thirty (30) days after the occurrence of a vacancy caused by non-residence, incapacity, resignation, or death of a commissioner, the appointing authority for that commissioner office will appoint an individual person to fill the vacancy.

(e) The term of office of each commissioner shall be four (4) years after the initial term of office to create staggered terms. Upon the expiration of a commissioner's term, the commissioner shall continue to hold office until a successor is appointed and qualified to serve. Any vacancy by reason of non-residence, incapacity, resignation, or death of a commissioner shall be filled for the unexpired term.

**SECTION 5. Board of Commissioners - Officers and Meetings.**

(a) A majority of the board constitutes a quorum, and the board shall act by a vote of a majority present at any meeting attended by a quorum.

(b) At its first meeting and at the first meeting of each calendar year thereafter, the board shall elect one (1) of its members to serve as Chairman, Vice-Chairman, and Secretary of the board. The board may establish other officer positions from time to time as deemed advisable by the board. The Secretary shall keep minutes of all regular and special meetings of the Authority.

(c) The board shall hold meetings at such times and places as the board may determine and all such meetings shall be public meetings under Tennessee Code Annotated, Title 8, Chapter 44, Part 1. Special meetings may be called and held upon such notice and in such manner as the board may determine. Except as otherwise expressly provided herein, the board shall establish its own rules of procedure for its board meetings.

(d) All powers of the Authority shall be vested in the board of commissioners, which shall exercise these powers by vote or resolution. Each commissioner shall have an equal vote on all matters.

(e) All board members shall serve without compensation, but such members may receive per diem payments for not more than twelve (12) meetings of the board of commissioners in any calendar year, at a rate not greater than three hundred dollars (\$300) per meeting, which the board may establish by resolution. The board members may be reimbursed from Authority funds for any actual, reasonable expenses that the board member may incur as an incident to holding office as a board member in accordance with the expense reimbursement policy adopted by the board for the Authority. The board members may be eligible for medical insurance coverage and life insurance coverage to the same extent as the employees of the Authority.

**SECTION 6. Powers of the Authority.**

The Authority shall have the powers necessary to accomplish the purpose of this act (excluding the power to levy and collect taxes) including, but not limited to, the following:

(a) To have perpetual succession, to sue and be sued, and to adopt a corporate seal.

(b) To plan, establish, acquire, construct, equip, furnish, improve, repair, extend, maintain, and operate one (1) or more water and wastewater systems within or without Cumberland County, including all real and personal property, facilities, improvements and appurtenances, which the board of the Authority may deem necessary in connection therewith and regardless of whether or not such system shall then be in existence.

(c) To enter into agreements with the County, the City, the Districts, or any other municipality for the orderly transfer of all or any part of its water system or wastewater system provided that the governing body of the entity has irrevocably voted:

(1) To consolidate the system into the Authority or to transfer the system to the Authority; and

(2) To the extent permitted by law and contract, to assume, reimburse, or otherwise agree to pay outstanding obligations or liabilities of the County, the City, the Districts, or other municipalities incurred to acquire, extend, or equip the system.

(d) To enter into agreements with the County, the City, the Districts, or any other municipality to acquire by purchase, exchange, gift, devise, lease, the exercise of the power of eminent domain, or otherwise,

any system or property related thereto of the County, the City, the Districts, or any other municipality and to own and operate such system separately or as a part of the Authority's system; or to enter into agreements with the County, the City, the Districts, or any other municipality providing for the operation by the Authority of the system, or any portion thereof, owned by the County, the City, the Districts, or any other municipality.

(e) The Authority will ensure that all employees acquired through contract with any utilities will not suffer any loss of wages and benefits, and all employees of the Authority will be members of the Tennessee Consolidated Retirement System (TCRS), or may continue in their current retirement program.

(f) To buy, sell, store, treat, and distribute water and to collect and treat wastewater for persons, for any county, municipality, or other political subdivision of the State, the State, or any agency thereof, or the United States or any agency thereof, and to enter into contracts, agreements, or other arrangements with such persons or entities therewith.

(g) To make and enter into all contracts, trust instruments, agreements, and other instruments with the County, the City, the Districts, any other municipality, the State or any agency thereof, the United States or any agency thereof, or any person, whether public or private, bonds, notes, loan agreements with the Tennessee Local Development Authority and/or the Tennessee Department of Environment and Conservation and other forms of indebtedness as if it were a local government as such term is defined in applicable statutes governing grants and loans, to construct, equip, or extend the system, and to enter into contracts for the management and operation of a system or any facilities or service of the Authority for the treatment, processing, collection, distribution, storage, transfer, or disposal of water and wastewater.

(h) To incur debts, borrow money, issue bonds, and provide for the rights of the holders thereof.

(i) To apply for, accept and pledge donations, contributions, loans, guarantees, financial assistance, capital grants, or gifts from the County, the City, the Districts, any other municipality, the State or any agency thereof, the United States or any agency thereof, or any person, whether public or private, for or in aid of the purposes of the Authority, and to enter into agreements in connection therewith and to accept the same.

(j) To pledge all or any part of the revenues, receipts, donations, contributions, loans, guarantees, financial assistance, capital grants, or gifts of the Authority, to mortgage and pledge one (1) or more of its systems or any part or parts thereof, whether then owned or thereafter acquired, and to assign and pledge all or any part of its interest in and rights under contracts and other instruments relating thereto as security for the payments of the principal, premium, if any, and interest on bonds, refunding bonds, loan agreements, or notes issued by the Authority.

(k) To have control of its systems, facilities, and services with the right and duty to establish and charge rates, fees, and charges for the use of the Authority's systems, facilities and services and to collect revenues and receipts therefrom, not inconsistent with the rights of holders of its bonds, refunding bonds, and notes.

(l) To enter onto any lands, waters, and premises for the purpose of making surveys, soundings, and examinations in and for the furtherance of the purposes authorized by this act.

(m) To use any right-of-way, easement, or other similar property right necessary or convenient in connection with a system, held by the State or by any political subdivision thereof, provided the governing body of such political subdivision consents to such use.

(n) To employ and pay compensation to attorneys, accountants, engineers, architects, financial advisors, technical consultants, and independent contractors as the board shall deem necessary for the business of the Authority.

(o) To employ and pay compensation to such employees, including a general manager, who shall have such authority, duties, and responsibilities as the board deems necessary.

(p) To procure and enter into contracts for any type of insurance or indemnity against loss or damage to property from any cause, including loss of use and occupancy, against death or injury of any act of any member, officer, or employee of the Authority in the performance of the duties of the office or employment or any other insurable risk, including the payment of its bonds, refunding bonds or notes, as the board in its discretion may deem necessary.

(q) To enter into contracts with the County, the City, the State of Tennessee, or otherwise for a plan for medical, dental, vision, disability, death benefits, or other employee insurance benefits for the officers and employees of the Authority.

(r) To exercise all powers expressly given to it and necessarily implied therefrom, to make and execute

contracts and all other instruments necessary or convenient to do any and all things for the exercise of its powers hereunder, and to establish and make rules and regulations not inconsistent with the provisions of this act, deemed expedient for the management of the Authority's affairs.

(s) To adopt a purchasing policy in accordance with the purchasing policy provisions for utility districts as set forth in Tennessee Code Annotated, Title 7, Chapter 82, Part 8.

(t) To make all necessary investments, in the discretion of the board, consistent with the powers of local governments to make such investments as provided by State law.

(u) To make all needful rules, regulations and bylaws for the management and the conduct of the affairs of the Authority.

**SECTION 7. Exclusive Service Area.**

(a) Upon the acquisition of the City's water system and wastewater system, the Authority shall have the exclusive right to provide water and wastewater service within the City's municipal boundaries at the time of the acquisition and as its municipal boundaries are expanded by annexation or any other means.

(b) Upon the acquisition of the Districts, the Authority shall have the exclusive right to provide water and wastewater service within the geographic boundaries of the Districts as they existed on the date of the acquisition.

(c) By resolution of the board, the board may designate any other areas in Cumberland County as the Authority's exclusive service area, including areas:

(1) That are outside of the geographic boundaries of any utility district located in Cumberland County;

(2) That have not consolidated with the Authority; or

(3) That do not have water or wastewater service from any other utility.

**SECTION 8. General Manager.**

(a) The board may appoint a general manager who shall be the chief executive and administrative officer of the Authority, and the Authority may enter into a contract with him or her establishing his or her salary, term of office, and duties.

(b) The general manager shall appoint the Authority's employees and shall fix their duties and compensation.

(c) The general manager shall appoint the Authority's auditor, legal counsel, engineer, other technical consultants and independent contractors as they are needed, subject to the approval of the board.

(d) The general manager shall submit such periodic reports to the board as it may direct.

(e) The general manager shall attend all meetings of the board.

(f) The general manager shall perform all other duties as directed by the board.

**SECTION 9. Condemnation and Eminent Domain.**

The Authority may condemn in its own name any land, rights in land, easements, and/or rights-of-way, which in the judgment of the board are necessary for carrying out the purposes for which the Authority is created. Such property or interest in such property may be so acquired whether or not the same is owned or held for public use by persons having the power of eminent domain, or otherwise held or used for public purposes; provided, however, such prior public use will not be interfered with by the use to which such property will be put by the Authority. Such power of condemnation may be exercised in the manner prescribed by any applicable statutory provisions now in force or hereafter enacted for the exercise of the power of eminent domain.

**SECTION 10. Rates, Fees, and Charges.**

(a) The board shall prescribe and collect reasonable rates, fees, and charges for the services, facilities, and commodities of any system and shall revise such rates, fees, and charges from time to time whenever necessary to ensure that any Authority's water and wastewater systems shall be and always remain self-supporting. The rates, fees, or charges prescribed shall be such as will always produce revenue at least sufficient:

(1) To provide for all expenses of operation and maintenance of the system, including reserves therefor;

(2) To pay when due all bonds, notes, and interest and premium thereon for the payment of which such revenues are or shall have been pledged, charged, or otherwise encumbered, including reserves therefor; and

(3) To provide for the extension or improvement of the system.

**SECTION 11.** Notes of the Authority.

(a) By resolution adopted by the board, the Authority may issue interest-bearing bond anticipation notes for all purposes for which bonds can be legally authorized and issued by the Authority. Such notes shall be secured by the proceeds from the sale of the bonds in anticipation of which the notes are issued and shall be secured by a lien upon the revenues of the Authority's system on a parity with the bonds in anticipation of which such notes are issued. In no event shall the amount of outstanding bond anticipation notes exceed the principal amount of the bonds to be issued by the Authority. The notes shall mature not later than two (2) years from their date of issuance and may be extended or renewed for not more than two (2) additional periods of two (2) years each by resolution of the board and the issuance of renewal or extension notes.

(b) Notes shall be sold at public or private sale for such price and in such manner as the board may direct. Notes may be sold in one (1) or more series, may bear such date or dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denomination or denominations, may be in such form, either coupon or registered, may be payable at such place or places, may be executed in such manner, may be payable in such medium of payment, may be subject to such terms of redemption, without a premium or, for notes sold for not less than the par value thereof and accrued interest, without or with a premium, all as may be provided by resolution of the board.

(c) Notes shall be executed in the name of the Authority by the proper officials authorized to execute the same, together with the seal of the Authority attached thereto.

(d) The proceeds arising from the sale of such notes shall be disbursed as provided by the resolution authorizing the issuance of the notes. As used in this section, the term "bond anticipation notes" includes interim certificates or other temporary obligations, which may be issued by the Authority to the purchaser of such notes upon the terms and conditions herein provided. When the bonds are issued and sold, a sufficient amount of the proceeds of the bonds shall be applied to the payment of the notes at their maturity or upon their earlier redemption as directed by the board by resolution.

(e) The Authority herein granted to issue "bond anticipation notes" also includes the issuance of "grant anticipation notes," to be secured by the grant in anticipation of which such notes are issued, with all provisions of this section being applicable to such grant anticipation notes.

**SECTION 12.** Bonds of the Authority.

(a) The Authority shall have the power to issue bonds from time to time to finance the construction, purchase, acquisition, extension, and improvement of one (1) or more systems. All bonds issued shall be payable solely out of the revenues and receipts derived from the system for which such bonds are issued or as may be designated in the proceedings under which the bonds shall be authorized to be issued. Such bonds may be issued in one (1) or more series, may be executed and delivered at any time and from time to time, may be in such form and denomination and of such terms and maturities, may be subject to redemption prior to maturity either with or without premium, may be in fully registered form, may bear such conversion privileges and be payable in such installments and at such time or times not exceeding forty (40) years from the date thereof, may be payable at such place or places whether within or without the State of Tennessee, may bear interest at such rate or rates payable at such time or times and at such place or places and evidenced in such manner, and may contain such provisions not inconsistent herewith, all as shall be provided in the proceedings whereunder the bonds shall be authorized to be issued.

(b) Bonds may be sold at public or private sale for such price and in such manner and from time to time as may be determined by the board to be most advantageous, and the Authority may pay any and all expenses, premiums, and commission, which its board may deem necessary or advantageous in connection with the issuance thereof.

(c) All bonds and the interest applicable thereto are hereby made and shall be construed to be negotiable instruments.

(d) Interim certificates or notes or other temporary obligations pending the issuance of revenue bonds shall be payable out of proceeds of bonds or other funds of the Authority available for such purpose.

(e) Proceeds of bonds may be used for the purpose of constructing, acquiring, reconstructing, improving, equipping, furnishing, bettering, or extending a system, including the payment of interest on the bonds during construction of any project for which bonds are issued and for two (2) years after the estimated date of completion, the payment of engineering, fiscal, architectural, bond insurance, and legal expenses incurred in connection therewith and the issuance of bonds, and the establishment of a reasonable reserve fund for the payment of principal of and interest on such bonds if a deficiency occurs in the revenues and

receipts available for such payment.

**SECTION 13.** Refunding Bonds of the Authority.

(a) Any bonds at any time outstanding may at any time and from time to time be funded by the issuance of refunding bonds in such amount as the board may deem necessary, but not exceeding the sum of the following:

- (1) The principal amount of the bonds being refinanced;
- (2) Applicable redemption premiums thereon;
- (3) Unpaid interest on such bonds to the date of delivery or exchange of the refunding bonds;
- (4) If the proceeds from the sale of the refunding bonds are to be deposited in trust as hereinafter provided, interest to accrue on such obligations from the date of delivery to the first or any subsequent available redemption date or dates elected, in its discretion, by the board, or to the date or dates of maturity, whichever shall be determined by the board to be the most advantageous or necessary to the Authority;
- (5) A reasonable reserve for the payment of principal of and interest on such bonds and/or a renewal and replacement reserve;

(6) If the project to be constructed from the proceeds of the obligations being refinanced has not been completed, an amount sufficient to meet the interest charges on the refunding bonds during the construction of such project and for two (2) years after the estimated date of completion (but only to the extent that interest charges have not been capitalized from the proceeds of the obligations being refinanced); and

(7) Expenses, premiums, and commissions of the Authority, including bond discounts deemed by the board to be necessary for the issuance of the refunding bonds. A determination by the board that any refinancing is advantageous or necessary to the Authority or that any of the amounts provided in the preceding sentence shall be included in such refinancing, or that any of the obligations to be refinanced shall be called for redemption on the first or any subsequent available redemption date or permitted to remain outstanding until their respective dates of maturity, shall be conclusive.

(b) Any such refunding may be affected whether the bonds to be refunded shall have then matured or shall thereafter mature, either by the exchange of the refunding bonds for the bonds to be refunded thereby with the consent of the holders of the bonds to be refunded, or by sale of the refunding bonds and the application of the proceeds thereof to the payment of the bonds refunded thereby, and regardless of whether or not the bonds to be refunded were issued in connection with the same projects or separate projects, and regardless of whether or not the bonds proposed to be refunded shall be payable on the same date or different dates or shall be due serially or otherwise.

(c) At the time of delivery of the refunding bonds, the bonds to be refunded will not be retired or a valid and timely notice of redemption of the outstanding bonds is not given in accordance with the resolution, indenture, or other instrument governing the redemption of the outstanding bonds, then, prior to the issuance of the refunding bonds, the board shall cause to be given adequate notice of its intention to issue the refunding bonds. The notice shall be given either by mail to the owners of all the outstanding bonds to be refunded at their addressees shown on the bond registration records for the outstanding bonds, or given by publication, or by such other means that may be deemed sufficient pursuant to the laws of this State. The notice shall set forth the estimated date of delivery and refunding of the bonds, and identify the bonds, or the individual maturities thereof, proposed to be refunded; provided, that if portions of individual maturities are proposed to be refunded, the notice shall identify the maturities subject to partial refunding and the aggregate principal amount to be refunded within each maturity. If the issuance of the refunding bonds does not occur as provided in the notice, the governing body shall cause notice thereof to be given as provided above. Except as otherwise set forth in this section, the notice required pursuant to this section shall be given whether or not any of the bonds to be refunded are to be called for redemption.

(d) If any of the obligations to be refunded are to be called for redemption, notice of redemption shall be given in a manner required by the proceedings authorizing such outstanding obligations.

(e) The principal proceeds from the sale of any refunding bonds shall be applied only as follows, either:

- (1) To the immediate payment and retirement of the bonds being refunded; or
- (2) To the extent not required for immediate payment of the bonds being refunded, such proceeds shall be deposited in trust to provide for the payment and retirement of the bonds being refunded and to pay any expenses incurred in connection with such refunding, but provisions may be made for the pledging and disposition of any surplus, including, without limitation, provisions for the pledging of any such surplus to the payment of the principal of, premium, if any, and interest on any issue or series of

refunding bonds. Money in any such trust fund may be invested in the discretion of the board.

(f) Nothing herein shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded, but which shall not have matured and which shall not be presently redeemable or, if presently redeemable, shall not have been called for redemption.

**SECTION 14.** Security for Payment of Bonds and Notes.

(a) The principal of, premium, if any, and interest on any bonds, refunding bonds, and notes may be secured by a pledge of revenues and receipts of the Authority's system. The proceedings under which the bonds, refunding bonds, or notes are authorized to be issued may contain any agreements, provisions, and covenants respecting the maintenance of such system or other facilities covered thereby, the fixing and collection of rates, fees, or charges with respect to any system or portions thereof covered by such proceedings, the creation and maintenance of special funds from such revenues and from the proceeds of such bonds, refunding bonds, and notes and the rights and remedies available in the event of default, all as the board shall deem advisable and not in conflict with the provisions of this act. To the extent provided in the proceedings authorizing any bonds, refunding bonds, or notes, each pledge and agreement made for the benefit of security of any of the bonds, refunding bonds, or notes shall continue in effect until the principal of and interest on the bonds, refunding bonds, or notes for the benefit of which the same were made shall have been fully paid or adequate provision for the payment thereof shall have been made by the Authority. In the event of a default in such payment or in any agreements of the Authority made as part of the proceedings under which the bonds, refunding bonds, or notes were issued, such payment or agreement may be enforced by suit, mandamus, or the appointment of a receiver in equity, or the proceedings under which the bonds, refunding bonds, or notes are issued.

(b) The board may designate the appropriate officials to execute all documents necessary to guarantee or in any other manner to secure the payment of the bonds or notes of the Authority; provided, however, the approval of the governing body of the County or City to such guarantee or security shall have been obtained before the execution of such documents. Provided, further, that prior to any meeting where such authorization will be considered by the governing body of the County or City, the governing body shall cause reasonable public notice to be published describing the matter to be considered and containing an estimate of the dollar amount of any contingent liability by the County or City as such authorization is given.

(c) Bonds, notes, or refunding bonds may constitute a joint obligation of the Authority and the County or City. Any such bond, note, or refunding bond upon which the County or City is jointly obligated with the Authority may be secured by the full faith and credit and unlimited ad valorem taxing power of the County or City. Bonds, notes, or refunding bonds issued as a joint obligation of the Authority and the County or City shall be issued in the form and manner set forth in Tennessee Code Annotated, Title 9, Chapter 21, Parts 1, 2, and 9, where applicable, and in the event of a conflict between this act and Tennessee Code Annotated, Title 9, Chapter 21, Parts 1, 2, and 9, then the provisions of Tennessee Code Annotated, Title 9, Chapter 21, Parts 1, 2, and 9 shall prevail. Notes issued as a joint obligation of the Authority and the County or City shall be issued in the form and manner set forth in Tennessee Code Annotated, Title 9, Chapter 21, Parts 1, 4, and 5, where applicable, and in the event of a conflict between this act and Tennessee Code Annotated, Title 9, Chapter 21, Parts 1, 4, and 5, then Tennessee Code Annotated, Title 9, Chapter 21, Parts 1, 4, and 5 shall prevail.

(d) Any bond, note, or refunding bond issued under this act may be secured by a mortgage or deed of trust covering any or all part of the property, real or personal, of the Authority. Any pledge, of lien, on revenues, fees, rents, tolls, or other charges received or receivable by any local government to secure the payment of any bonds, notes, or refunding bonds issued pursuant to the act and the interest thereon, shall be valid and binding from the time that the pledge or lien is created and granted and shall inure to the benefit of the holder or holders of any such bonds, notes, or refunding bonds until payment in full of the principal and premium and interest thereon. Neither the resolution nor any other instrument granting, creating, or giving notice of the pledge of a lien or other such security interest, need be filed or recorded to preserve or protect the validity or priority of such pledge or lien.

**SECTION 15.** Exemption from Taxation and State Regulation.

(a) The Authority, its properties, and the income and revenues therefrom shall be exempt from all State, County, and municipal taxation. All bonds, notes, and refunding bonds issued by the Authority and the income therefrom shall be exempt from all State, County, and municipal taxation, except inheritance, transfer, and estate taxes, or except as otherwise provided by the laws of this state.

(b) The Authority is subject to regulation by the Water and Wastewater Financing Board under Tennessee Code Annotated, Section 68-221-1008. The Authority is subject to regulation by the Department of Environment and Conservation as a public water supply and public sewerage system.

**SECTION 16.** Liability and Indebtedness of Political Subdivisions.

(a) Neither the State, any county, or any municipality other than the Authority shall, except as may otherwise be authorized by the board of the Authority and the governing body of the County or City, in any event be liable for the payment of the principal of, premium, if any, or interest on any bonds, notes, or refunding bonds of the Authority or for the performance of any pledge, obligation, or agreement of any kind whatsoever that may be undertaken by the Authority, and none of the bonds, notes, or refunding bonds of the Authority or any of its agreements or obligations shall be construed to constitute an indebtedness of the State, any county, or any municipality within the meaning of any constitutional or statutory provision whatsoever.

(b) Bonds, notes, or refunding bonds of the Authority shall not constitute a debt or a pledge of the faith and credit of the State, any county, or any municipality, except as may otherwise be authorized by the governing body of the County or City, and the holders or owners of such bonds shall have no right to have taxes levied by any county, municipality, the State, or any other taxing authority within the State for the payment of principal of, premium, if any, and interest on such bonds, but shall be payable solely from revenues and monies pledged for their payment.

(c) Except as may otherwise be authorized by the governing body of the County or City, all such bonds shall contain on the face thereof a statement to the effect that the bonds, refunding bonds, or notes are not a debt of the State, any county, any municipality, or any other taxing authority within the State, but are payable solely from revenues and monies pledged to the payment thereof.

**SECTION 17.** Disposition of Funds.

No part of the net earnings of the Authority remaining after payment of its expenses shall inure to the benefit of any persons except that, at such times as no bonds, notes, or refunding bonds of the Authority are outstanding and unpaid and adequate provision has been made for the full payment of all liabilities, obligations, and contracts of the Authority, and the Authority shall have, by operation of law, been terminated, any assets of the Authority, to the extent not necessary for such purposes, shall be paid to the County and the City in equal proportions. To the extent allowed by this act, nothing herein contained shall prevent the board from transferring its properties in accordance with the terms of any contract, agreement, or covenant entered into or undertaken by the Authority.

**SECTION 18.** Budget and Annual Audit.

(a) The board shall annually establish and adopt a budget for the Authority.

(b) The board shall cause to be prepared each fiscal year an annual audit of the books and records of the Authority. The Comptroller of the Treasury, through the Department of Audit, is responsible for determining that such audits are prepared in accordance with generally accepted governmental auditing standards. A copy of such annual audit shall be filed with the office of the County Mayor of Cumberland County and the Mayor of the City of Crossville.

**SECTION 19.** Powers of the Districts.

(a) The Districts may take all actions hereunder by resolution of its governing body. The Districts shall have all powers necessary in order to further the purposes of this act, including without limitation, the power to consolidate with the Authority, the power to contract with the Authority, and the power to sell, lease, dedicate, donate, or otherwise convey to the Authority any of its interests in any existing water and wastewater system, franchises, assets, liabilities, or other related property, whether real or personal, or mixed, tangible or intangible, and whether or not subject to mortgages, liens, charges, or other encumbrances, or grant easements, licenses, or other rights or privileges therein to the Authority.

(b) The Districts may enter into agreements with the Authority for the orderly transfer of all or any part of its system and to enter into agreement for the Authority to assume, pay, or refund bonds, refunding bonds, and notes issued by the districts or loan agreements entered into by the districts to acquire, construct, or equip all or any part of a system.

(c) The Districts are authorized to advance, donate, or lend money to the Authority and to provide that funds available to it for a system shall be paid to the Authority.

(d) The Districts shall have the same right to enter into any agreement with the Authority that the board deems necessary to carry out the purposes of this act, as the Districts have to enter into similar agreements with water and wastewater treatment authorities as provided by Tennessee Code Annotated, Title 68, Chapter 221, Part 6, and as provided by the Utility District Law, compiled in Tennessee Code Annotated, Title 7, Chapter 82.

**SECTION 20.** Powers of the County.

(a) The County may take all actions hereunder by resolution of its governing body. The County shall have

all powers necessary to further the purposes of this act, including, without limitation, the power to sell, lease, dedicate, donate, or otherwise convey to the Authority any of its interests in any existing water and wastewater system, franchises, assets, liabilities, or other related property, whether real or personal, or mixed, tangible or intangible, and whether or not subject to mortgages, liens, charges, or other encumbrances or grant easements, licenses, or other rights or privileges therein to the Authority, and to contract with the Authority.

(b) The County, through its governing body, is authorized to issue joint obligations with the Authority and to pledge its full faith and credit and unlimited taxing power to such bonds, notes, or refunding bonds and to guarantee the bonds, notes or refunding bonds as set forth in Section 14.

(c) The County may enter into agreements with the Authority for the orderly transfer of all or any part of its system and to enter into agreements with the Authority for the Authority to assume, to pay, or to refund bonds, refunding bonds, and notes issued by the County or loan agreements entered into by the County to acquire, construct, or equip all or any part of a system.

**SECTION 21. Powers of the City.**

(a) The City may take all actions hereunder by resolution of its governing body. The City shall have all powers necessary to further the purposes of this act, including, without limitation, the power to sell, lease, dedicate, donate, or otherwise convey to the Authority any of its interests in any existing water and wastewater system, franchises, assets, liabilities, or other related property, whether real or personal, or mixed, tangible or intangible, and whether or not subject to mortgages, liens, charges, or other encumbrances or grant easements, licenses, or other rights or privileges therein to the Authority and to contract with the Authority.

(b) The City, through its governing body, is authorized to issue joint obligations with the Authority and to pledge its full faith and credit and unlimited taxing power to such bonds, notes, or refunding bonds and to guarantee the bonds, notes, or refunding bonds as set forth in Section 14.

(c) The City may enter into agreements with the Authority for the orderly transfer of all or any part of its system and to enter into agreements with the Authority for the Authority to assume, to pay, or to refund bonds, refunding bonds, and notes issued by the County or loan agreements entered into by the City to acquire, construct, or equip all or any part of a system.

**SECTION 22. Powers not restricted.**

Neither this act nor anything herein contained shall be construed as a restriction or a limitation upon any powers that a county, city, or utility district might otherwise have under any laws of this State, but shall be construed as cumulative of and supplemental to any such powers. No proceeding, notice, or approval shall be required with respect to the issuance of any bonds, refunding bonds, or notes of the Authority or any instrument as security therefor except as provided in this act, any law to the contrary notwithstanding; provided, however, nothing herein shall be construed to deprive the State of Tennessee and its political subdivisions of their respective police powers, or to impair any power of any official or agency of said State and its political subdivisions, which may be otherwise provided by law.

**SECTION 23. Agreements with the Authority.**

(a) The Authority is hereby authorized, whenever the same shall be found desirable by its board, to enter into contracts, agreements, or other arrangements with any municipality regarding a system, any facility, or any service of the Authority. Any such contract or agreement may extend for any period not exceeding forty (40) years from the date thereof.

(b) Any municipality seeking to enter into such agreement with the Authority shall have the same rights and liabilities as it would otherwise have in entering into a similar agreement with a water and wastewater treatment authority as provided by Tennessee Code Annotated, Title 68, Chapter 221, Part 6, and as provided by the Utility District Law, compiled in Tennessee Code Annotated, Title 7, Chapter 82.

**SECTION 24. Liberal Construction.**

The provisions of this act shall be liberally construed to affect the purposes thereof, and insofar as the provisions of this act may be inconsistent with the provisions of any other law, the provisions of this act shall be controlling.

**SECTION 25. Severability.**

If any provision of this act or the application thereof to any person or circumstance is held to be invalid, such invalidity shall not affect any other provision or application of the act, which can be given effect without the invalid provision or application, and to that end, the provisions of this act are declared to be severable.



**SECTION 26.** Local Approval.

This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Cumberland County pursuant to a resolution adopted by such body. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and certified to the secretary of state.

**SECTION 27.** Effective Date.

For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective as provided in Section 26.

Passed: May 5, 2022.

## Administration - Historical Notes

### County Clerk

The following act once affected the office of county clerk in Cumberland County. It is included herein for historical purposes.

1. Private Acts of 1943, Chapter 364, authorized the Quarterly County Court of Cumberland County to settle with Powell D. Garrison, a former County Court Clerk, for his ex-officio fees arising during his term of office from September 1, 1934 to January 1, 1943, at an amount not to exceed \$50 per quarter retroactive to the first date. The Act states that the County Court Clerk before Garrison was paid these fees, but Garrison did not apply for them and so was not paid any ex-officio fees although it was common practice in the State to do this.

### County Executive

The references below are of acts which once applied to the office of county judge, or county executive in Cumberland County. They are included herein for historical purposes only. Also referenced below are acts which repeal prior law without providing new substantive provisions.

1. Acts of 1855-56, Chapter 253, created the position of County Judge, who would be learned in the law and elected by the people to four year terms. Quorum courts were abolished and all their powers, authority, and responsibility were transferred to the County Judge. He was further given the duties of the Chairman to preside over the meetings of the Quarterly County Court. He would hold the County Court, monthly, on the first Monday. The Act prescribed the jurisdiction of the County Court and set the salary of the Judge at \$5 per day for every day the Court met, but the Quarterly County Court could pay more, if it desired. The County Judge would also serve as the accounting officer and general agent of the County. This Act was repealed by Acts of 1857-58, Chapter 5.
2. Acts of 1889, Chapter 132, created the office of County Judge for Cumberland County who would be at least thirty years old, learned in the law, a citizen of Cumberland County and a person of good moral character who would be elected by the people for a term of eight years. The first election would take place when the next regular election for county officials was held in August, 1890. He would have all the power and jurisdiction and perform all the obligations conferred upon other County Judges. He would likewise be vested with all the powers and duties of the Chairman of the County Court for which he would be paid a salary of \$250 per year. The office of Chairman of the Cumberland County Court was abolished. This Act was repealed by Acts of 1893, Chapter 152.
3. Acts of 1897, Chapter 273, created the office of County Judge for Cumberland County and abolished the position of Chairman of the County Court whose responsibilities and powers were transferred to the County Judge. He would be thirty years of age, or older, a person of good moral character, learned in the law and he would serve for a term of eight years. He would have all the powers and responsibilities of other county judges. His salary would be \$300 a year, payable quarterly out of the general funds of the county. This Act was repealed by Private Acts of 1915, Chapter 210.
4. Private Acts of 1911, Chapter 92, gave the County Judges of Cumberland and Bledsoe Counties the additional duty of keeping the County Warrants Paid Book, the School Warrants Paid Book, and the Road Warrants Paid Book, in each of which would be entered the number, date, to whom issued, and amount of the warrants in each category in the order in which they were issued. All county officials who disbursed funds were required to submit reports monthly, quarterly, and annually as required by statute.
5. Private Acts of 1929, Chapter 285, created the County Judge position in Cumberland County for an eight year term at \$1,500 annual salary, payable monthly, out of regular county funds, who

would be elected by the people. E. G. Tollett, Crossville, was named to the post until the election for judicial officers in 1934. He would have all the prerogatives of other county judges, be commissioned as other judges, and enter into a \$10,000 bond. The Chairman, and Chairman Pro Tem posts of the County Court were abolished because the Judge would discharge their duties. The Judges duties as accounting officer were specified and itemized in Section 8, and among them was the keeping of a warrant book. He was granted concurrent jurisdiction with the Chancellors and Circuit Judges to perform the duties enumerated in the Act. He would preside over meetings of the County Court and could practice law in all courts except his own. This Act was repealed by Private Acts of 1933, Chapter 346, effective on September 1, 1934.

6. Private Acts of 1933, Chapter 347, created the office of Chairman of the County Court of Cumberland County. Three-fifths of the Justices composing the County Court could elect a Chairman either from their number or who could be some other local resident and citizen who would hold office for a year or until his successor was elected. He would take over on September 1, 1934, and serve for the ensuing year. His compensation would be set by the County Court.
7. Private Acts of 1943, Chapter 365, purports to amend Private Acts of 1929, Chapter 285, Section 13, by changing the meeting date for the Quarterly County Court from the second Monday to the first Monday in January, April, July, and October of each year, however, the 1929 act was entirely repealed by Private Acts of 1933, Chapter 346.
8. Private Acts of 1953, Chapter 397, which amended Private Acts of 1935, Chapter 214, granted to the County Judge concurrent jurisdiction with Criminal, Circuit and Chancery Judges to grant writs of attachment, injunction, certiorari, supersedeas, and to hear and determine divorce cases. This Act was repealed by Private Acts of 1974, Chapter 227.
9. Private Acts of 1967-68, Chapter 494, removed the jurisdiction from the County Judge to hear and determine divorce cases. This Act was repealed by Private Acts of 1974, Chapter 227.
10. Private Acts of 1969, Chapter 45, authorized the County Judge of Cumberland County to hear and determine divorce cases. This Act was repealed by Private Acts of 1974, Chapter 227.

### **County Legislative Body**

The following acts once applied to the quarterly court or the county legislative body of Cumberland County and are included herein for historical purposes.

1. Acts of 1837-38, Chapter 8, Section 16, provided that the County Court of the newly established Cumberland County would meet on the first Monday in February, 1838.
2. Acts of 1855-56, Chapter 6, which created Cumberland County in its present location also provided that the County Court would meet on the first Monday in April, 1856.
3. Acts of 1907, Chapter 168 changed the time for the Quarterly County Court of Cumberland County to meet to the second Monday in January, April, July, and October.
4. Private Acts of 1915, Chapter 654, provided that every Justice of the Peace in Cumberland County would be paid \$2 for each day's attendance at the Quarterly County Court and such mileage, tolls and ferriage fees as were then allowed by law.
5. Private Acts of 1927, Chapter 150, amended Private Acts of 1915, Chapter 654, so as to increase the per diem of Justices of the Peace to \$3 per day.
6. Private Acts of 1967-68, Chapter 320, sets the per diem of the Justices of the Peace in Cumberland County at \$15 per day for each day's attendance at the regular meetings of the County Court. This Act was properly ratified by the County Court.

### **General Reference**

The following private or local acts constitute part of the administrative and political history of Cumberland County but are today no longer operative because they have either been superseded, repealed, or failed to receive local approval.

1. Acts of 1861 (1st Ex. Sess.), Chapter 9, provided that Cumberland County would form one regiment of Militia to assume the place of the 160th Regiment and be attached to the 14th Brigade. The officers would meet at the home of Littleton J. Perdue on the first Saturday in March, 1861 and divide the regiment into battalions.
2. Acts of 1881, Chapter 15, amended Section 1792 of the Tennessee Code so as to permit the County Courts of McMinn and Cumberland Counties to each to elect a Notary Public.
3. Acts of 1907, Chapter 169, changed the meeting date of the Cumberland County Revenue Commissioners to the Tuesday before the second Monday in January, April, July, and October of each year.

4. Private Acts of 1921, Chapter 398, authorized the County Court to appropriate the sum of \$300 per year for five years to the American Missionary Association to be used by the Association for their school at Pleasant Hill in Cumberland County.
5. Private Acts of 1937, Chapter 389, validated the actions of the County Court of Cumberland County in making an award to J. A. Norris of \$600.00 because of the loss of his eye while working at his regular duties under the Road Commission and directed the Road Commission to proceed to pay such award to Norris for which the act granted them the power and authority.
6. Private Acts of 1970, Chapter 346, authorized the Quarterly County Court to create a County Planning Commission consisting of a representative from each civil or magisterial district plus the Chairman of the County Court and a member of the Quarterly County Court. The Commission was charged with adopting a master plan for the County, to approve subsequent changes by property owners, and to formulate zoning ordinances for adoption by the Quarterly Court. This Act also established a Board of Zoning Appeals consisting of from three to five members. This Act was not approved by the local authorities and never became effective.

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