



Knoxville Utilities Board

Knoxville

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TENNESSEE
ETHICS COMMISSION

April 25, 2007

Tennessee Ethics Commission
Ms. Anne Turner, Attorney
201 4th Ave. N
Suite 1820
Nashville, TN 37243

Dear Ms. Turner:

On April 19, 2007, the Board of Commissioners of the Knoxville Utilities Board (KUB) adopted an Ethics Policy pursuant to T.C.A. § 8-17-103. KUB's adopted policy meets the requirements of the Ethics Act and conforms to the intent of the Municipal Technical Advisory Service model. Further, it includes language that makes the policy directly applicable to KUB and references KUB's established ethical statutes and guidelines.

Enclosed, please find our adopted Policy and its corresponding Resolution. If you have any questions concerning our policy, please feel free to contact me at 865-594-7531.

Sincerely,

A handwritten signature in cursive script that reads 'Mintha Roach'.

Mintha Roach
President and CEO

Enclosure

By certified mail

c: Bill Coley, KUB General Counsel

RESOLUTION NO. 1152

A RESOLUTION ADOPTING AN ETHICS POLICY FOR THE BOARD MEMBERS, OFFICERS AND EMPLOYEES OF THE KNOXVILLE UTILITIES BOARD

WHEREAS, the KUB Board has embraced a high standard of ethical practices for many years; and

WHEREAS, all Board members, officers and employees are currently governed by ethical statutes and guidelines including, among others, KUB Resolution 1, KUB Employee Conflict of Interest and Employment of Relatives Policies, the City Charter, KUB Board by-laws and various provisions of State law; and

WHEREAS, in a 2006 special session of the Tennessee General Assembly, legislation was passed requiring local government agencies in the state to adopt ethical standards by July 1, 2007; and

WHEREAS, the Municipal Technical Advisory Service (MTAS) has developed a model ethics policy that municipal agencies may adopt; and

WHEREAS, KUB Staff and General Counsel have reviewed the MTAS model and have identified minimal changes necessary to make the model policy specifically applicable to KUB; and

WHEREAS, the Board has previously reviewed and discussed the Act and proposed policy; and

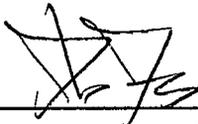
NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KNOXVILLE UTILITIES BOARD:

SECTION 1. That the KUB Ethics Policy, attached hereto and incorporated herein as "Exhibit A" to this Resolution, is hereby adopted in its entirety and as of and after the effective date of this Resolution shall be applicable.

SECTION 2. That the Board authorizes the President and CEO to adopt a more detailed Employee Conflict of Interest Policy that, at a minimum, shall conform to the requirements of the Ethics Policy and shall provide specific guidance to officers and employees in the ethical conduct of their day-to-day duties.

SECTION 3. That the Board directs the President and CEO to file the KUB Ethics Policy with the state Ethics Commission.

SECTION 4. That this Resolution shall take effect from and after its passage.



Chair



Board Secretary

APPROVED ON 1st
& FINAL READING: 4-19-07
EFFECTIVE DATE: 4-19-07
MINUTE BOOK 23 PAGE 1169-1174

KUB Ethics Policy

SECTION 1. Applicability. This Ethics Policy (Policy) is applicable to all Board members, officers and employees of the Knoxville Utilities Board (KUB) whether compensated or not.

SECTION 2. Definition of "personal interest."

(a) For purposes of Sections 3 and 4, "personal interest" means:

- (i) Any financial, ownership, or employment interest in the subject of a vote by the KUB Board not otherwise regulated by state statutes on conflicts of interests; or
- (ii) Any financial, ownership or employment interest in a matter to be regulated or supervised; or
- (iii) Any such financial, ownership or employment interest of the Board member's, officer's or employee's spouse, parent(s), step parent(s), grandparent(s), sibling(s), child(ren) or step child(ren).

(b) The words "employment interest" include a situation in which a Board member, officer or employee or a designated family member is negotiating possible employment with a person or organization that is the subject of the vote or that is to be regulated or supervised.

(c) In any situation in which a personal interest is also a conflict of interest under state law, the provisions of the state law take precedence over the provisions of this Policy.

SECTION 3. Disclosure of personal interest by official with vote. A Board member with the responsibility to vote on a measure shall disclose during the meeting at which the vote takes place, before the vote and so it appears in the minutes, any personal interest that affects or that would lead a reasonable person to infer that it affects the official's vote on the measure. In addition, the Board member may recuse himself¹ from voting on the measure.

SECTION 4. Disclosure of personal interest in non-voting matters. A Board member, officer or employee who must exercise discretion relative to any matter, other than casting a vote, and who has a personal interest in the matter that affects or that would lead a reasonable person to infer that it affects the exercise of the discretion shall disclose, before the exercise of the discretion when possible, the interest on a form provided by and filed with the Board secretary. In addition, the officer or employee may, to the extent allowed by law, charter, resolution or policy, recuse himself from the exercise of discretion in the matter.

¹ Masculine pronouns include the feminine. Only masculine pronouns have been used for convenience and readability.

SECTION 5. Acceptance of gratuities, etc. A Board member, officer or employee of KUB may not accept, directly or indirectly, any money, gift, gratuity or other consideration or favor of any kind from anyone other than KUB:

- (a) For the performance of an act, or refraining from performance of an act, that he would be expected to perform, or refrain from performing, in the regular course of his duties; or
- (b) That might reasonably be interpreted as an attempt to influence his action, or reward him for past action, in executing KUB business.

SECTION 6. Use of information.

- (a) A Board member, officer or employee may not disclose any information obtained in his official capacity or position of employment that is made confidential under state or federal law except as authorized by law.
- (b) A Board member, officer or employee may not use or disclose information obtained in his official capacity or position of employment with the intent to result in financial gain for himself or any other person or entity.

SECTION 7. Use of KUB time, facilities, etc.

- (a) A Board member, officer or employee may not use or authorize the use of KUB time, facilities, equipment or supplies for private gain or advantage to himself.
- (b) A Board member, officer or employee may not use or authorize the use of KUB time, facilities, equipment or supplies for private gain or advantage to any private person or entity, except as authorized by legitimate contract or lease that is determined by the KUB Board to be in the best interests of KUB.

SECTION 8. Use of position or authority.

- (a) A Board member, official or employee may not make or attempt to make private purchases, for cash or otherwise, in the name of KUB.
- (b) A Board member, officer or employee may not use or attempt to use his position to secure any privilege or exemption for himself or others that is not authorized by the charter, general law, resolution, Bylaws or policy of KUB.

SECTION 9. Outside employment. A Board member, officer or employee may not accept or continue any outside employment if the work unreasonably inhibits the performance of any affirmative duty of the KUB position or conflicts with any provision of the KUB charter or any KUB Resolution, Bylaw or policy.

SECTION 10. Ethics complaints.

- (a) The Board's General Counsel is designated as the ethics officer of KUB. Upon the written request of a Board member, officer or employee potentially affected by a provision of this code of ethics, the General Counsel may render an oral or written advisory ethics opinion based upon this code of ethics and other applicable law.

(b) Investigations

- (i) Except as otherwise provided in this subsection, the KUB General Counsel shall direct the investigation of any credible complaint against a Board member, officer or employee charging any violation of this Policy, or may undertake an investigation on his own initiative when he acquires information indicating a possible violation, and make recommendations for action to end or seek retribution for any activity that, in the General Counsel's judgment, constitutes a violation of this Policy.
 - (ii) The General Counsel may request the KUB Board to hire another attorney, individual or entity to act as ethics officer when he has or will have a conflict of interests in a particular matter.
 - (iii) When a complaint of a violation of any provision of this Policy is lodged against a member of the KUB Board, the Board shall either determine that the complaint has merit, determine that the complaint does not have merit or determine that the complaint warrants further investigation. If the KUB Board determines that a complaint warrants further investigation, it shall authorize an investigation by the General Counsel or another individual or entity chosen by the Board.
- (c) The interpretation that a reasonable person in the circumstances would apply shall be used in interpreting and enforcing this Policy.
- (d) When a violation of this Policy also constitutes a violation of a personnel policy, rule or regulation, or a KUB merit system policy, rule or regulation, the violation shall be dealt with as a violation of the personnel or merit system provisions rather than as a violation of this Policy.

SECTION 11. Other Provisions Governing the Ethical Conduct of KUB Board members, officers and employees. In addition to this Policy, there are other provisions of State statutes, the City of Knoxville Charter, KUB Resolutions and Bylaws and KUB Official Policies that govern the ethical behavior of KUB Board members, officers and employees. These provisions include, but are not limited to the following:

- (a) Campaign finance – T.C.A. Title 2, Chapter 10
- (b) Conflict of interests – T.C.A. §§ 6-54-107, 108; 12-4-101, 102
- (c) Conflict of interests disclosure statements – T.C.A. § 8-50-501 and the following sections
- (d) Consulting fee prohibition for elected municipal officials – T.C.A. §§ 2-10-122, 124
- (e) Crimes involving public officials (bribery, soliciting unlawful compensation, buying and selling in regard to office) – T.C.A. § 39-16-101 and the following sections
- (f) Crimes of official misconduct, official oppression, misuse of official information – T.C.A. § 39-16-401 and the following sections
- (g) Ouster law – T.C.A. § 8-47-101 and the following sections
- (h) City of Knoxville Charter – Article XI. Knoxville Utilities Board
- (i) Knoxville Utilities Board Bylaws – Section X. Conflicts of Interest
- (j) KUB Board Resolutions 1 and 586
- (k) KUB's Official Employee Policies – Section D. Employee Conduct

SECTION 12. Violations. A member of the KUB Board who violates any provision of this Policy is subject to punishment, censure and/or other actions as provided by the KUB Charter Section 1112 and T.C.A. § 8-47-101. An officer or employee who violates any provision of this Policy is subject to disciplinary action up to and including termination.



Knoxville Utilities Board

June 22, 2007

Tennessee Ethics Commission
Ms. Anne Turner, Attorney
201 4th Ave. N
Suite 1820
Nashville, TN 37243

Dear Ms. Turner:

On April 19, 2007, the Board of Commissioners of the Knoxville Utilities Board (KUB) adopted an Ethics Policy pursuant to T.C.A. § 8-17-103. That policy was filed with your office the following week.

After KUB's adoption of the policy, the City of Knoxville's Council adopted a policy that includes a provision requiring other City agencies' policies to comply with theirs. In order for KUB to meet that requirement, a minor amendment to Section 3 of our Ethics Policy was necessary.

The City's Code of Ethics states that voting officials "shall" recuse themselves when personal interests are disclosed, while KUB's Ethics Policy alternately uses the word "may". At KUB's June 21, 2007 Board meeting, Commissioners amended our previously submitted policy to account for the City's provision.

Enclosed, please find our amended Policy and its corresponding Resolution. If you have any questions concerning our policy, please feel free to contact me at 865-594-7531.

Sincerely,

A handwritten signature in cursive script that reads "Mintha Roach".

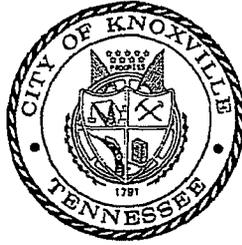
Mintha Roach
President and CEO

Enclosure

By certified mail

c: Bill Coley, KUB General Counsel

RECEIVED
2007 JUN 29 AM 7:25
TENNESSEE ETHICS COMMISSION



BILL HASLAM, MAYOR

CITY OF KNOXVILLE

LAW DEPARTMENT
MORRIS KIZER
SENIOR DIRECTOR

June 19, 2007

HAND DELIVERED

J. William Coley, Esq.
Hodges, Doughty & Carson
617 Main Avenue
Knoxville, Tennessee 37902

Re: KUB Ethics Policy

Dear Bill:

This letter will confirm that I have reviewed KUB's ethics policy, and the proposed amendment forwarded to me with your letter of June 14, 2007, which requires a board member with a personal interest to recuse himself or herself from voting on the matter in question. I understand that the KUB Board will act on the proposed amendment at its June 21, 2007 meeting.

Please be advised that pursuant to Section 1-17 of the Knoxville City Code, I approve KUB's ethics policy, provided it is amended by the proposed amendment forwarded with your June 14, 2007 letter.

If you have any questions, please do not hesitate to contact me.

Sincerely yours,

W. Morris Kizer

WMK:mab

RESOLUTION NO. 1160

A RESOLUTION AMENDING THE ETHICS POLICY OF THE BOARD MEMBERS, OFFICERS, AND EMPLOYEES OF THE KNOXVILLE UTILITIES BOARD

WHEREAS, Pursuant to T.C.A. § 8-17-103, the KUB Board previously adopted Resolution 1152, establishing an Ethics Policy for the Board members, officers, and employees of the Knoxville Utilities Board; and

WHEREAS, since that time City Council has adopted a Code of Ethics providing that the ethics policies adopted by City agencies shall, at a minimum, comply with the provisions of the City's Code of Ethics; and

WHEREAS, the City's Code of Ethics states that individuals "shall" recuse themselves from voting when personal interests are disclosed; and

WHEREAS, the KUB Policy provides that individuals "may" recuse themselves from voting when personal interests are disclosed; and

WHEREAS, KUB Staff and General Counsel have determined it is necessary and appropriate to amend KUB's Ethics Policy to conform to the City's ordinance.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KNOXVILLE UTILITIES BOARD:

SECTION 1. That the KUB Ethics Policy is hereby amended by replacing the word "may" with "shall" in the last sentence of Section 3.

SECTION 2. That pursuant to T.C.A. § 8-17-104, the Board directs the President and CEO to file the amended KUB Ethics Policy, attached as "Exhibit A" to this Resolution, with the state Ethics Commission.

SECTION 3. That this Resolution shall take effect from and after its passage.



Board Secretary



Chair

APPROVED ON 1st
& FINAL READING: 6-21-07
EFFECTIVE DATE: 6-21-07
MINUTE BOOK 23 PAGE 1390-1394

KUB Ethics Policy

SECTION 1. Applicability. This Ethics Policy (Policy) is applicable to all Board members, officers, and employees of the Knoxville Utilities Board (KUB) whether compensated or not.

SECTION 2. Definition of “personal interest.”

(a) For purposes of Sections 3 and 4, “personal interest” means:

- (i) Any financial, ownership, or employment interest in the subject of a vote by the KUB Board not otherwise regulated by state statutes on conflicts of interests; or
- (ii) Any financial, ownership, or employment interest in a matter to be regulated or supervised; or
- (iii) Any such financial, ownership, or employment interest of the Board member’s, officer’s, or employee’s spouse, parent(s), step parent(s), grandparent(s), sibling(s), child(ren), or step child(ren).

(b) The words “employment interest” include a situation in which a Board member, officer, or employee or a designated family member is negotiating possible employment with a person or organization that is the subject of the vote or that is to be regulated or supervised.

(c) In any situation in which a personal interest is also a conflict of interest under state law, the provisions of the state law take precedence over the provisions of this Policy.

SECTION 3. Disclosure of personal interest by official with vote. A Board member with the responsibility to vote on a measure shall disclose during the meeting at which the vote takes place, before the vote and so it appears in the minutes, any personal interest that affects or that would lead a reasonable person to infer that it affects the official’s vote on the measure. In addition, the Board member shall recuse himself¹ from voting on the measure.

SECTION 4. Disclosure of personal interest in non-voting matters. A Board member, officer, or employee who must exercise discretion relative to any matter, other than casting a vote, and who has a personal interest in the matter that affects or that would lead a reasonable person to infer that it affects the exercise of the discretion shall disclose, before the exercise of the discretion when possible, the interest on a form provided by and filed with the Board secretary. In addition, the officer or employee may, to the extent allowed by law, charter, resolution, or policy, recuse himself from the exercise of discretion in the matter.

¹ Masculine pronouns include the feminine. Only masculine pronouns have been used for convenience and readability.

SECTION 5. Acceptance of gratuities, etc. A Board member, officer, or employee of KUB may not accept, directly or indirectly, any money, gift, gratuity, or other consideration or favor of any kind from anyone other than KUB:

- (a) For the performance of an act, or refraining from performance of an act, that he would be expected to perform, or refrain from performing, in the regular course of his duties; or
- (b) That might reasonably be interpreted as an attempt to influence his action, or reward him for past action, in executing KUB business.

SECTION 6. Use of information.

- (a) A Board member, officer, or employee may not disclose any information obtained in his official capacity or position of employment that is made confidential under state or federal law except as authorized by law.
- (b) A Board member, officer, or employee may not use or disclose information obtained in his official capacity or position of employment with the intent to result in financial gain for himself or any other person or entity.

SECTION 7. Use of KUB time, facilities, etc.

- (a) A Board member, officer, or employee may not use or authorize the use of KUB time, facilities, equipment, or supplies for private gain or advantage to himself.
- (b) A Board member, officer, or employee may not use or authorize the use of KUB time, facilities, equipment, or supplies for private gain or advantage to any private person or entity, except as authorized by legitimate contract or lease that is determined by the KUB Board to be in the best interests of KUB.

SECTION 8. Use of position or authority.

- (a) A Board member, official, or employee may not make or attempt to make private purchases, for cash or otherwise, in the name of KUB.
- (b) A Board member, officer, or employee may not use or attempt to use his position to secure any privilege or exemption for himself or others that is not authorized by the charter, general law, resolution, Bylaws, or policy of KUB.

SECTION 9. Outside employment. A Board member, officer or employee may not accept or continue any outside employment if the work unreasonably inhibits the performance of any affirmative duty of the KUB position or conflicts with any provision of the KUB charter or any KUB Resolution, Bylaw, or policy.

SECTION 10. Ethics complaints.

- (a) The Board's General Counsel is designated as the ethics officer of KUB. Upon the written request of a Board member, officer, or employee potentially affected by a provision of this code of ethics, the General Counsel may render an oral or written advisory ethics opinion based upon this code of ethics and other applicable law.

(b) Investigations

- (i) Except as otherwise provided in this subsection, the KUB General Counsel shall direct the investigation of any credible complaint against a Board member, officer, or employee charging any violation of this Policy, or may undertake an investigation on his own initiative when he acquires information indicating a possible violation, and make recommendations for action to end or seek retribution for any activity that, in the General Counsel's judgment, constitutes a violation of this Policy.
 - (ii) The General Counsel may request the KUB Board to hire another attorney, individual, or entity to act as ethics officer when he has or will have a conflict of interest in a particular matter.
 - (iii) When a complaint of a violation of any provision of this Policy is lodged against a member of the KUB Board, the Board shall either determine that the complaint has merit, determine that the complaint does not have merit, or determine that the complaint warrants further investigation. If the KUB Board determines that a complaint warrants further investigation, it shall authorize an investigation by the General Counsel or another individual or entity chosen by the Board.
- (c) The interpretation that a reasonable person in the circumstances would apply shall be used in interpreting and enforcing this Policy.
- (d) When a violation of this Policy also constitutes a violation of a personnel policy, rule, or regulation, or a KUB merit system policy rule or regulation, the violation shall be dealt with as a violation of the personnel or merit system provisions rather than as a violation of this Policy.

SECTION 11. Other Provisions Governing the Ethical Conduct of KUB Board members, officers, and employees. In addition to this Policy, there are other provisions of State statutes, the City of Knoxville Charter, KUB Resolutions and Bylaws and KUB Official Policies that govern the ethical behavior of KUB Board members, officers, and employees. These provisions include, but are not limited to the following:

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- (g) Ouster law – T.C.A. § 8-47-101 and the following sections
- (h) City of Knoxville Charter – Article XI. Knoxville Utilities Board
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