

**OCTOBER 31, 2012 12:00 P.M.**  
**HARTSVILLE-TROUSDALE COUNTY**  
**WATER & SEWER UTILITY DISTRICT**  
**MEETING OF BOARD OF COMMISSIONERS**

**MINUTES**

The first meeting of Hartsville-Trousdale County Water & Sewer Utility District Board of Commissioners was held on Wednesday, October 31, 2012, at 12:00 noon at the The Creekbank Grill in Hartsville, Tennessee.

The following members were present: Dennis Oldham, Phyllis Shoulders, and Hattie McDonald.

Others present were: Jerry Helm, Don Scholes, Jimmy Highers, Sam Gregory, George Garden, Tony Crook, Kenny Gregory, Scotty Claridy Kay Smith, Penny Sutherland, Jason Haley and Mindi Lancaster, Darrell Gross and Thomas Harper.

Meeting was called to order by Hattie McDonald.

The first order of business was a report to the Board by Don Scholes on creation of District. Mr. Scholes gave the Board an overview of the nature and operation of a utility district under Tennessee law.

The next order of business was the administration of the oaths of office for the Commissioners. Each Commissioner signed the oath, the oaths were properly notarized and the oaths will be filed in County Clerk's Office.

The next order of business was the election of officers of the Board of Commissioners. Motion was made by Phyllis Shoulders, seconded by Dennis Oldham to elect the following individuals as the officers of the Board:

President – Hattie McDonald  
Vice President – Dennis Oldham  
Secretary – Phyllis Shoulders

Upon question, motion approved.

The next order of business was the adoption of bylaws for the District. Motion made by Dennis Oldham, seconded by Phyllis Shoulders to adopt the bylaws prepared by Mr. Scholes for the District which are attached to these minutes. Upon question, motion approved.

The next order of business was the approval of the Agreement to Convey Water and Sewer System prepared by Mr. Scholes to transfer all of the assets and liabilities of the Hartsville-Trousdale County water and sewer system from the Hartsville-Trousdale County Government to the District. Motion made by Phyllis Shoulders, seconded by Dennis Oldham to approve

the Agreement to Convey Water and Sewer System prepared by Mr. Scholes. Upon question, motion approved.

The next order of business was the authorization for the District to enroll in the State of Tennessee Local Government Insurance Plan (Local Government Plan) to provide group health and life insurance to the District's employees and to join the Tennessee Consolidated Retirement System (TCRS) to provide retirement benefits for the District's employees. Motion made by Dennis Oldham, seconded by Phyllis Shoulders for the District to provide group health and life insurance to its employees through the Local Government Insurance Plan, to become a participant in the TCRS and to authorize Jerry Helm and authorized staff members to make application to the Local Government Plan and TCRS and to take all other steps necessary to for the District to become a member of the Local Government Plan and a participant in TCRS. Upon question, motion approved.

The next order of business was the authorization for the District to make applications to the Tennessee Department of Revenue for dealer registration for Tennessee sales and use taxes and for a tax exempt certificate from Tennessee sales and use taxes on District purchases. Motion by Phyllis Shoulders, seconded by Dennis Oldham for the District to make these applications to the Tennessee Department of Revenue and to authorize Kay Smith to make these applications on behalf of District. Upon question, motion approved.

The next order of business was the appointment of a Superintendent to oversee and supervise the day-to-day operations of the District's water and sewer system. Motion by Phyllis Shoulders, seconded by Dennis Oldham to appoint Jerry Helm as Superintendent of the District and to authorize him to have the same authority and duties he currently has as Superintendent of the Hartsville-Trousdale County Water and Sewer Department. Upon question, motion carried.

The next order of business was the appointment of legal counsel for District. Motion by Phyllis Shoulders, seconded by Dennis Oldham to retain Don Scholes as legal counsel for the District until further notice. Upon question, motion carried.

The next order of business was the appointment and hiring of an accounting firm for the District. Motion by Phyllis Shoulders, seconded by Dennis Oldham to hire John Poole, CPA, as the District's accountant to perform its annual audit, to furnish all reports and make annual filings to the State Comptroller's Office and to provide other services as requested. Upon question, motion carried.

The next order of business was a discussion of whether the District wanted to be a premium paying employer or reimbursing employer for unemployment tax purposes. No action taken.

The next order of business was a report by Mr. Scholes to the Board that its members were eligible to receive per diem payments for their services as utility district board members. Mr. Scholes stated that under Tennessee law, each commissioner was eligible to be paid a per diem payment for attending Board meetings in an amount up to \$300 per month for a maximum of 12 payments per year. The Board decided to table any further discussion or action on any per diem payments until a future meeting.

The next order of business was the establishment of a date, time and place for the District's monthly board meetings. The Board agreed that the regular monthly meetings should be held on the last Wednesday of each month at 11:30 a.m. which time will be included on the District's water bills. Notice of any changes to the date, time and place for the regular monthly board meeting will be will given as required by the Tennessee Open Meetings Act and the District's bylaws.

The next order of business was the designation of a bank for the District's accounts and transactions and the authorization of check signers on the District's bank accounts. Motion by Dennis Oldham, seconded by Phyllis Shoulders that

- the District use \_\_\_\_\_ Bank for its bank accounts
- two signatures be required for all vendor and payroll checks
- the following persons are approve to sign for authorized bank transactions for the District: Robert Jerry Helm, Janice Kay Smith, Amanda Dawn Lancaster and Hattie McDonald.

Upon question, motion approved.

Since there was no further business, the meeting was adjourned upon motion duly made by Phyllis Shoulders, seconded by Dennis Oldham and approved.

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Secretary