

COUNTY COMMISSION MEETING REGULAR SESSION APRIL 14, 2008

Notice of Meeting.....357

Don Hurst, President of Carter County Tomorrow.....358

Public Comments:.....358

 Roy Livingston, concerning Water Authority issues.

 John Hubert, Downtown Business Association, concerning Jail cost & location.

 Richard David Tester, Chairman of the Board , Hampton Utility Dist.
 Concerning Water Authority issues.

 Mary Odom, Hampton Creek resident, concerning traffic problems at Hampton
 Creek Bridge

Elected and Appointed officials recognized along with new County Mayors Office
Employee Diane Eggers.....358

March 17, 2008 minutes Approved.....359

Notaries Approved.....359

C. Keith Bowers, Jr. appointed County Attorney (two year term).....359

Planning Commission Board Appointments (two year term)
Bob Lee Townsend, James Russell Kyte, and Pamela K. Huber.....359

County Commissioners Appointment to the Planning Commission Board
(Two year term) Lynn Tipton, Jerry Pearman, & Bill Armstrong.....360

COMMITTEE REPORTS:

Carter County Clean-Up set for April 24-26.....360

Cap of \$ 26 million levied on Jail Construction360

Insurance for Commissioners.....360

Budget Amendment #8360 --- 362

Resolution # 479.....363 --- 366
 Authorizing the issuance, sale, and payment of Capital Outlay notes not
 to exceed \$1,024,700.00 pursuant to the informal bid process.

Motion to Eliminate the original private act creating Water Authority.....367

Motion to Table aforesaid motion – Failed.....367

Motion to Amend motion concerning Water Authority and to allow First Utility
District (Stoney Creek) and Hampton Utility District to opt out.....367

Resolution No. 480.....368 --- 380
 To amend Private Act formed by House Bill No. 1940, to allow Hampton
 Utility District and First Utility District the opportunity to Opt out of the
 Watauga River Regional Water Authority.

BE IT REMEMBERED, that the County Commission of Carter County, Elizabethton, Tennessee, met in Regular Session on April 14, 2008, at 10:00 A.M. in the main courtroom of the Carter County Courthouse. Present and presiding were the Honorable Johnny Holder, County Mayor/Chairman, Honorable Mary Gouge, County Clerk and the Honorable Keith Bowers, Jr. County Attorney. The following Commissioners were present: Jack Buckles, Gebe Ritchie, Lawrence Hodge, Nancy Brown, Jeff McKinney, R.L. Miller, Jim Whaley, Jerry Pearman, L.C. Tester, Steve Lowrance, Tom Bowers, Jo Ann Blankenship, Charlie Bayless, Terry Montgomery, Ken Arney, Larry McKinney, Lynn Tipton, Jack Campbell, Richard Tester, Bill Armstrong, Robert David and Robert Gobble. Harry Sisk and Dickie Renfro were absent.

ROLL CALL.....QUORUM PRESENT
 PRAYER.....LAWRENCE HODGE
 PLEDGE..... ROBERT DAVIS

Johnny L. Holder
 Carter County Mayor



801 E. Elk Avenue
 Elizabethton, TN 37643
 423-642-1801
 423-642-8270 Fax

**PUBLIC NOTICE OF A REGULAR SESSION
 OF THE CARTER COUNTY COMMISSION**

NOTICE IS HEREBY GIVEN to all members of the Carter County Commission, to all residents of the County of Carter, Tennessee, and to all persons interested, that the Regular Session of the Carter County Commission will be held Monday, April 14, 2008, 10:00 a.m., Main Courtroom, Carter County Courthouse, 801 E. Elk Avenue, Elizabethton, Tennessee.

Agenda

- Call to Order
- Roll Call
- Opening Prayer
- Pledge of Allegiance
- Don Hurst, Carter County Tomorrow
- Public Comments
- Recognition of Elected Officials/Guests
- Acceptance of Minutes from Previous Meeting
- Notaries/Bonds
- Resolution TVA 75th Anniversary
- County Historian Appointment - Cendi Smith
- County Attorney Election, 2 Year Term
- Planning Commission Appointments, 3 Members, 4 Year Terms
- Equalization Board Appointments, 4 Members, 2 Year Terms
- Committee Reports/Recommendations
- Commissioner Comments
- Adjourn

All matters that may be normally considered may be taken up and acted on at such meetings.

Johnny Holder, County Chairman
 Carter County, Tennessee

Don Hurst, President of Carter County Tomorrow, spoke to the commission giving an update on current activities. Mr. Hurst noted some new changes in the Three Star Program being Land Use Plan, Transportation Plan, and the Community Connection Program. He noted that he would be visiting Anderson County and they would be working with us on the Community Connection Program. Also noted was the need for land suitable for Industry Park sites and a need for Land Certification sites consisting of ten (10) acres or more suitable for industry. Additional reports will be forthcoming.

****PUBLIC COMMENTS****

Commissioner Jerry Pearman asked that **Mr. Roy Livingston** be recognized and allowed to speak to the commission. Mr. Livingston spoke concerning the Water Authority issues. He asked that the commission move forward concerning the request from Hampton and Stoney Creek to opt out of the Watauga Regional River Water Authority (WRRWA).

Mayor Holder recognized **Mr. John Hubert of the Downtown Business Association**. Mr. Hubert stated that more consideration should be given concerning the location and cost of the Jail and that taxpayers should be allowed to see what the cost difference would be if location was changed.

Mayor Holder recognized **Mr. Richard David Tester, Chairman of the Board for Hampton Utility District**. Mr. Tester spoke concerning matters of the Watauga Regional River Water Authority. He told the commission that Hampton Utility customers request that they be allowed to opt out of the Water Authority due to the fact that they felt that this would be of no benefit to them.

Commissioner Nancy Brown requested that the floor recognize **Mary Odom**. Ms. Odom noted that she resides on **Hampton Creek** in Roan Mountain. She said that it was her understanding that the **bridge** would be **closing** in this area and that it would create a traffic problem in rerouting traffic due to the narrow roadway. This was to be referred to the Highway Committee.

All the **elected and appointed officials** that were present stood and were **recognized** at this time. County Mayor's Office new employee Diane Eggers was introduced to the commission.

On motion by Lynn Tipton, seconded by Jerry Pearman the *minutes of the March 17, 2008*, meeting of the County Commission were approved as presented by voice roll call vote this April 14, 2008.

On motion by Robert Davis, seconded by Jo Ann Blankenship the following *Notaries* were approved by voice roll call vote this April 14, 2008.

Nina R. Ellis

Traci E. Blackburn

Linda Bowman

Angela S. Roten

Shelly E. Trivette

Appointment of the Carter County Historian was deferred until the next meeting.

On motion by Jerry Pearman, seconded by Jim Whaley to *appoint C. Keith Bowers, Jr. as Carter County Attorney (two year term)*. Roll Call vote as follows:

AYES: Jack Buckles, Gebe Ritchie, Lawrence Hodge, Nancy Brown, Jeff McKinney, R.L. Miller, Jim Whaley, Jerry Pearman, L. C. Tester, Steve Lowrance, Tom Bowers, Jo Ann Blankenship, Charlie Bayless, Terry Montgomery, Ken Arney, Larry McKinney, Lynn Tipton, Jack Campbell, Richard Tester, Bill Armstrong, Robert Davis, and Robert Gobble.

NAYS: 0

PASSING: 0

ABSENT: Harry Sisk, Dickie Renfro

There being 22 ayes, 0 nays, 0 passing, and 2 absent, motion to appoint C. Keith Bowers, Jr. as Carter County Attorney duly carried this April 14, 2008.

On recommendation of the Planning Commission and on motion by Jerry Pearman and seconded by Charlie Bayless to appoint *Bob Lee Townsend, James Russell Kyte, and Pamela K. Huber to the Planning Commission Board (two year term)*. Roll call vote as follows:

AYES: Jack Buckles, Gebe Ritchie, Lawrence Hodge, Jeff McKinney, R.L. Miller, Jim Whaley, Jerry Pearman, L.C. Tester, Steve Lowrance, Tom Bowers, Jo Ann Blankenship, Charlie Bayless, Terry Montgomery, Ken Arney, Larry McKinney, Lynn Tipton, Jack Campbell, Richard Tester, Bill Armstrong, Robert Davis, and Robert Gobble.

NAYS: Nancy Brown

PASSING: 0

ABSENT: Harry Sisk, Dickie Renfro

There being 21 ayes, 1 nay, 0 passing and 2 absent, motion duly carried this April 14, 2008.

On motion by Jerry Pearman, seconded by Robert Davis to appoint the following County Commissioners *Lynn Tipton, Jerry Pearman, and Bill Armstrong to the Planning Commission Board (four year term)*. Roll call vote as follows:

AYES: Jack Buckles, Gebe Ritchie, Lawrence Hodge, Jeff McKinney, R.L. Miller, Jim Whaley, Jerry Pearman, L.C. Tester, Steve Lowrance, Tom Bowers, Jo Ann Blankenship, Charlie Bayless, Terry Montgomery, Ken Arney, Larry McKinney, Lynn Tipton, Jack Campbell, Richard Tester, Bill Armstrong, Robert Davis, and Robert Gobble.

NAYS: Nancy Brown

PASSING: 0

ABSENT: Harry Sisk, Dickie Renfro

There being 21 ayes, 1 nay, 0 passing, and 2 absent motion duly carried this April 14, 2008.

Appointments to the Equalization Board were postponed until the next Commission meeting.

****COMMITTEE REPORTS AND RECOMMENDATIONS****

Jerry Pearman on behalf of the Carter County Planning & Zoning announced that the *Carter County Clean-Up* would be held *April 24 – April 26*.

On recommendation of the Jail Task Force and on motion by Robert Davis, seconded by Jerry Pearman that a *cap of \$ 26 million* be levied on the *Jail Construction* cost. Roll Call Vote as follows:

AYES: Jack Buckles, Gebe Ritchie, Jeff McKinney, R.L. Miller, Jim Whaley*, Jerry Pearman, Steve Lowrance, Tom Bowers, Jo Ann Blankenship, Charlie Bayless*, Larry McKinney, Lynn Tipton, Bill Armstrong, Robert Davis, and Robert Gobble.

NAYS: Lawrence Hodge, Nancy Brown, L.C. Tester*, Terry Montgomery, Ken Arney*, Jack Campbell, Richard Tester,

PASSING: 0

ABSENT: Harry Sisk, Dickie Renfro

*=Notes voting as a Carter County Employee with a conflict of interest.

There being 15 ayes, 7 nays, 0 passing, 2 absent, motion duly carried this April 14, 2008.

At this time some questions were raised concerning *insurance* availability for Commissioners. County Attorney, Keith Bowers, Jr. noted that the conflict was due to misunderstanding because of changes in administration. Richard Tester noted that state law allows for self-paid insurance *for individual commissioners*.

Jo Ann Blankenship presented to the commission the report from the *Financial Management Committee*. She urged all departments to see what can be done to conserve fuel usage.

Jim Whaley, Chairman of the *Rules and Bylaws Committee*, stated that cost concerning notification of committee meetings needed to be examined. He ask if it would be less costly to list the four committees in one ad or to list separately in order to comply with the Sunshine Law. No action was taken at this time concerning this matter at this time.

On recommendation from the Budget Committee and on motion by Bill Armstrong, seconded by Robert Davis to approve the *Budget Amendment #8*.

Roll call vote as follows:

AYES: Jack Buckles, Gebe Ritchie, Lawrence Hodge, Nancy Brown, Jeff McKinney, R.L. Miller, Jim Whaley* Jerry Pearman, L.C. Tester*, Steve Lowrance, Tom Bowers, Jo Ann Blankenship, Charlie Bayless*, Terry Montgomery, Ken Arney*, Larry McKinney, Lynn Tipton, Jack Campbell, Richard Tester*, Bill Armstrong, Robert Davis, and Robert Gobble.

NAYS: 0

PASSING: 0

ABSENT: Harry Sisk, Dickie Renfro

*=Notes voting as a Carter County Employee with a conflict of interest.

There being 22 ayes, 0 nays, 0 passing, 2 absent motion duly carried this April 14, 2008.

**Carter County General Fund 101
Budget Amendment # 8 2007-08**

Item #1	51800	307	Communication	\$	8,000.00		Increase
	51800	335	Maintenance And Repair Services - Buildi	\$	8,800.00		Increase
	51800	336	Maintenance And Repair Services - Equipm	\$	8,000.00		Increase
	51800	338	Maintenance And Repair Services - Vehicl	\$	3,000.00		Increase
	51800	347	Pest Control	\$	200.00		Increase
	51800	355	Travel	\$	1,000.00		Increase
	51800	410	Custodial Supplies	\$	7,000.00		Increase
	51800	415	Electricity	\$	48,000.00		Increase
	51800	425	Gasoline	\$	1,000.00		Increase
	51800	452	Utilities	\$	1,000.00		Increase
	51800	454	Water And Sewer	\$	11,000.00		Increase
	51800	502	Building And Contents Insurance			\$ 57,000.00	Decrease
	51800	513	Workman'S Compensation Insurance			\$ 38,000.00	Decrease

To allocate funds within County Buildings account to cover utilities and maintenance

Item #2	51800	166	Custodial Personnel	\$	35,926.39		Increase
	51800	189	Other Wages and Salaries			\$ 35,926.39	Decrease

To budget janitorial employees in correct account

Item #3	52100	106	Deputies- Accounts & Budget			\$ 6,000.00	Decrease
	52100	599	Other Charges	\$	6,000.00		Increase

To reallocate funds to pay for employee handbook revision

Item #4	52100	204	Retirement-Accounts & Budget			\$ 2,190.00	Decrease
	52100	206	Life Insurance	\$	30.00		Increase
	52100	207	Medical Insurance	\$	2,160.00		Increase

To reallocate benefit funds to cover medical insurance increase

Item #5	52100	196	Inservice training- Accounts & Budget			\$ 1,000.00	Decrease
	52100	332	Legal Notices, Recording And Court Costs	\$	1,000.00		Increase

To reallocate funds to cover advertisement costs

Item #6	52100	334	Maintenance Agreements - Accounts & Budget			\$ 1,000.00	Decrease
	52100	435	Office Supplies	\$	1,000.00		Increase

To reallocate funds for office supplies

Item #7	52100	320	Dues and Memberships- Accounts & Budget			\$ 300.00	Decrease
	52100	355	Travel	\$	300.00		Increase

To reallocate funds for travel expenses

Item #8	64000	359	Disposal Fees	\$	13,000.00		
	64000	399	Other Contracted Services	\$	12,000.00		
	39000		Undesignated Fund Balance			\$ 25,000.00	

To budget for Carter County Clean-up April 2008

Item #9

On recommendation of the Budget Committee and on motion by Bill Armstrong, seconded by Lawrence Hodge to accept as presented the following *Resolution No 479 authorizing the issuance, sale, and payment of capital outlay notes not to exceed \$1,024,700.00 pursuant to the informal bid process.*

Motion to suspend the reading of the Resolution No 479 made by Lawrence Hodge, seconded by Bill Armstrong. By voice roll call vote motion to suspend the reading of the Resolution was approved this April 14, 2008.

Following a short discussion Mayor Holder called for a roll call vote as follows:

AYES: Jack Buckles, Gebe Ritchie, Lawrence Hodge, Nancy Brown, Jeff McKinney, R.L. Miller, Jerry Pearman, Steve Lowrance, Jo Ann Blankenship, Charlie Bayless*, Ken Arney*, Larry McKinney, Lynn Tipton, Jack Campbell, Bill Armstrong, Robert Davis, and Robert Gobble.

NAYS: Jim Whaley, L.C. Tester*, Tom Bowers, Terry Montgomery, and Richard Tester.

PASSING:0

ABSENT: Harry Sisk, Dickie Renfro

*=Notes voting as a Carter County Employee with a conflict of intrest.

There being 17 ayes, 5 nays, 0 passing, and 2 absent motion to accepted Resolution

No. 479 duly carries this April 14, 2008.

Resolution No. 479
Date 4/14/08

TWELVE-YEAR CAPITAL OUTLAY NOTES—INFORMAL BID
(NOT TO EXCEED \$2,000,000)

**RESOLUTION OF THE GOVERNING BODY OF CARTER COUNTY, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF CAPITAL OUTLAY NOTES
NOT TO EXCEED \$1,024,700.00 PURSUANT TO THE INFORMAL BID PROCESS**

WHEREAS, the Governing Body of Carter County, Tennessee, (the "Local Government") has determined that it is necessary and desirable to issue capital outlay notes in order to provide funds for the following public works project (the "Project"): renovation of Unaka High School and prorated City School Funds.

WHEREAS, the Governing Body has determined that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose; and

WHEREAS, under the provisions of Parts I, IV and VI of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), local governments in Tennessee are authorized to finance the cost of this Project through the issuance and sale of interest-bearing capital outlay notes upon the approval of the State Director of Local Finance; and

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to authorize the issuance of Title 9 Chapter 21 Section 608 capital outlay notes to finance the cost of the Project;

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body as follows:

Section 1. That, for the purpose of providing funds to finance the cost of the Project in and for the Local Government, the Chief Executive Officer of the Local Government is hereby authorized in accordance with the terms of this resolution, and upon approval of the State Director of Local Finance, to issue and sell interest-bearing capital outlay notes in a principal amount not to exceed One Million Twenty Four Thousand Seven Hundred Dollars (\$1,024,700.00) (the "Notes") by an informal bid process pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated "Education Capital Outlay Notes, Series 2008"; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(s) as agreed upon with the purchaser; shall be sold at not less than 99% of par value and accrued interest; and shall bear interest at a rate or rates not to exceed four per cent (4 %) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. That, the Notes shall mature not later than twelve (12) years after the date of issuance and, unless otherwise approved by the State Director of Local Finance, the Notes shall be amortized in an amount reflecting at least level debt service on the Notes approximately according to the following schedule:

Fiscal Year	Principal Amount	Fiscal Year	Principal Amount	Fiscal Year	Principal Amount
2008-2009	\$68,196	2012-2013	\$79,780	2016-2017	\$ 93,331
2009-2010	\$70,924	2013-2014	\$82,971	2017-2018	\$ 97,064
2010-2011	\$73,761	2014-2015	\$86,290	2018-2019	\$100,947
2011-2012	\$76,711	2015-2016	\$89,741	2019-2020	\$104,984

The Notes shall not exceed the reasonably expected economic life of the Project which is hereby estimated to be at least 15 years.

Section 3. That, the Notes shall be subject to redemption at the option of the Local Government, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption, without a premium, or, if sold at par, with or without a premium of not exceeding one percent (1%) of the principal amount.

Section 4. That, the Notes shall be direct general obligations of the Local Government, for which the punctual payment of the principal and interest on the notes, the full faith and credit of the Local Government is irrevocably pledged and the Local Government hereby pledges its taxing power as to all taxable property in the Local Government for the purpose of providing funds for the payment of principal of and interest on the Notes. The Governing Body of the Local Government hereby authorizes the levy and collection of a special tax on all taxable property of the Local Government over and above all other taxes authorized by the Local Government to create a sinking fund to retire the Notes with interest as they mature in an amount necessary for that purpose.

Section 5. That, the Notes shall be executed in the name of the Local Government; shall bear the manual signature of the chief executive officer of the Local Government and the manual signature of the county clerk, city recorder or other similar local government official as authorized by the governing body together with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the local government official as authorized by the Local Government or at the office of the paying agent duly appointed by the Local Government. Proceeds of the Notes shall be deposited with the county trustee, in the case of counties, or, in the case of municipalities or metropolitan governments, with the official designated by law as custodian of the funds. All proceeds shall be paid out for the purpose of financing the Project pursuant to this Resolution and as required by law.

Section 6. That, the Notes will be issued in fully registered form and that at all times during which any Note remains outstanding and unpaid, the Local Government or its agent shall keep or cause to be kept at its office a note register for the registration, exchange or transfer of the Notes. The note register, if held by an agent of the Local Government, shall at all times be open for inspection by the Local Government or any duly authorized officer of the Local Government. Each Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the registered owner of the Note in person or by the registered owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent together with a written instrument or transfer satisfactory to the Local Government duly executed by the registered owner or the registered owner's duly authorized attorney. Upon the transfer of any such Note, the Local Government shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered Notes. The Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days

next preceding an interest payment date on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

Section 7. That, the Notes shall be in substantially the form authorized by the State Director of Local Finance and shall recite that the Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated.

Section 8. That, prior to the sale of the Notes, the Local Government shall submit a copy of this resolution authorizing the Notes to the State Director of the Local Finance for approval and a copy of the proposed disclosure statement, if any, and a statement showing the estimated annual principal and interest requirements for the Notes and a detailed statement showing the estimated cost of issuance which shall include at least the following, if applicable: (1) fiscal agent and/or financial advisor fees; (2) bond counsel fees; (3) other legal charges if any; (4) credit enhancement fees; (5) trustee fees; (6) registration fees; (7) paying agent fees; (8) rating agency fees; (9) underwriters' discount or charges; (10) remarketing agent fees; (11) printing, advertising and other expenses; (12) the number of financial institutions contacted by telephone or by letter (which should be at least three if possible) for the purpose of obtaining interest rates, and if only one institution was contacted a statement as to why only one institution was contacted. In its request for approval, the Local Government shall state and demonstrate that the proposed sale by the informal bid process is feasible, in the best interest of the Local Government, and that the Local Government should be able to amortize the proposed indebtedness together with all the obligations then outstanding.

Section 9. The Notes shall not be sold until receipt of the State Director of Local Finance's written approval for the sale of the Notes.

Section 10. That, the notes are hereby designated as qualified tax-exempt obligations for purpose of Section 265(b) (3) of the Internal Revenue Code of 1986.

Section 11. That, after the sale of the Notes, and for each year that any of the notes are outstanding, the Local Government shall prepare an annual budget in a form consistent with accepted governmental standards and as approved by the State Director of Local Finance (the "Director".) The budget shall be kept balanced during the life of the notes. The annual budget shall be submitted to the Director immediately upon its adoption; however, it shall not become the official budget for the fiscal year until such budget is approved by the Director in accordance with Title 9, Chapter 21, Tennessee Code Annotated (the "Statutes".) If the Director determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes, or as directed by the Director.

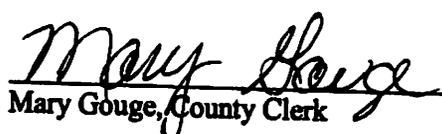
Section 12. That, if any of the Notes shall remain unpaid at the end of twelve (12) years from the issue date, then the unpaid Notes shall be retired from the funds of the Local Government or be converted into bonds pursuant to Chapter 11 of Title 9 of the Tennessee Code Annotated, or any other law, or be otherwise liquidated as approval by the State Director of Local Finance.

Section 13. That, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists; and this Resolution shall become effective immediately upon its passage.

Duly passed and approved this 14th day of April, 2008.


Johnny Holder, County Mayor

ATTESTED:


Mary Gouge, County Clerk

**ATTACHMENT FOR \$1,024,700.00 INFORMAL BID EDUCATIONAL CAPITAL
OUTLAY NOTES**

As required by Title 9, Chapter 21, Part 609, Tennessee Code Annotated, this information is being submitted to the State Director of Local Finance to request approval to issue these notes by the informal bid process:

- 1 The informal bid process is feasible.
- 2 The informal bid process is in the best interest of the Local Government.
- 3 The Local Government will be able to amortize these notes together with all other outstanding obligations.
- 4 Interest rate proposals have been obtained by telephone or in writing from the following financial institutions (at least three should be contacted, if possible):

a. _____	b. _____	c. _____
d. _____	e. _____	f. _____

Interest rate proposals will be or have been submitted by telephone or in writing to the following financial institutions (at least three should be contacted, if possible):

- | | | |
|---|-----------------------|--------------------------|
| a. Elizabethton Federal Savings Bank | b. Regions Bank | c. Security Federal Bank |
| d. BB&T Bank | e. Carter County Bank | f. Citizens Bank |
| g. Tennessee Counties Services Loan Program | | |

If only one financial institution is contacted for interest rates, a separate statement must be submitted explaining why. If "only one local bank" is the explanation, the informal bid process will not be approved.

5 _____ There are no issuance costs associated with the sale of these notes.

6 There are issuance costs, and they are itemized as follows:

Financial advisor fees:	_____
Legal counsel fees:	_____
Credit enhancement fees:	_____
Registration fees:	_____
Paying agent fees:	_____
Rating agency fees:	_____
Underwriter's fees:	_____
Remarketing agent fees:	_____
Printing and advertising:	_____
Other expenses:	_____

Signed: _____

Title: _____

At this time County Attorney Keith Bowers, Jr. spoke concerning the Water Authority. Following some discussion a motion was made by Gebe Ritchie, seconded by Jack Buckles to *eliminate the original private act creating the Water Authority and to authorize Attorney Keith Bowers, Jr. to look into potential alternatives.*

Motion was made by Jerry Pearman, seconded by Lawrence Hodge to **TABLE** Commissioner Ritchie's motion. Roll call vote to Table as follows:

AYES: R.L. Miller, Jim Whaley*, Jerry Pearman, Steve Lowrance, Charlie Bayless*, Lynn Tipton, Bill Armstrong, and Robert Davis.

NAYS: Jack Buckles, Gebe Ritchie, Lawrence Hodge, Nancy Brown, Jeff McKinney, L.C. Tester, Tom Bowers, Jo Ann Blankenship, Terry Montgomery, Ken Arney*, Larry McKinney, Jack Campbell, Richard Tester*, and Robert Gobble.

PASSING: 0

ABSENT: Harry Sisk, Dickie Renfro

*= Notes voting as a Carter County Employee with a conflict of interest.

There being 8 ayes, 14 nays, 0 passing, and 2 absent, motion to TABLE failed to carry

April 14, 2008.

The original motion was back on the floor. Following additional discussion Commissioner Ritchie amended his motion to go ahead and *allow First Utility District (Stoney Creek) and Hampton Utility District out of the Authority, subject to approval by the Tennessee State legislature*, and to allow County Attorney Keith Bowers, Jr. to seek other alternatives. Amended motion was seconded by Jack Buckles.

Roll call vote as follows:

AYES: Jack Buckles, Gebe Ritchie, Lawrence Hodge, Nancy Brown, Jeff McKinney, R.L. Miller, Jim Whaley, Jerry Pearman, L.C. Tester, Steve Lowrance, Tom Bowers, Jo Ann Blankenship, Terry Montgomery, Ken Arney, Larry McKinney, Jack Campbell, Richard Tester, Robert Davis, and Robert Gobble.

NAYS: Lynn Tipton, and Bill Armstrong.

PASSING: Charlie Bayless

ABSENT: Harry Sisk, and Dickie Renfro

There being 19 ayes, 2 nays, 1 passing and 2 absent, motion duly carried this April 14,

2008.

County Attorney, Keith Bowers, Jr. stated that it was necessary for the above motion to pass the State House the State Senate and be signed by the governor. The Commission would then have to ratify it by a two-thirds majority before being fully approved.

BEFORE THE COUNTY COMMISSION

OF CARTER COUNTY, TENNESSEE

REGULAR MEETING

April 14, 2008

RESOLUTION NO. 480

"A RESOLUTION OF CARTER COUNTY, TENNESSEE, TO AMEND PRIVATE ACT FORMED BY HOUSE BILL NO. 1979, SENATE BILL NO. 1940, TO ALLOW HAMPTON UTILITY DISTRICT AND FIRST UTILITY DISTRICT THE OPPORTUNITY TO OPT OUT OF THE WATAUGA RIVER REGIONAL WATER AUTHORITY"

WHEREAS, this resolution memorializes an oral resolution proffered from the floor of the Carter County Commission meeting on the date of Monday, April 14, 2008.

WHEREAS, the County Commission of Carter County, Tennessee, was presented with resolutions from the boards of the Hampton Utility District (attached hereto as Exhibit "A") and the First Utility District (attached hereto as Exhibit "B") requesting that they be permitted to opt out of the Watauga River Regional Water Authority; and,

WHEREAS, the Commission of Carter County, Tennessee, finds that it is in the best interest of the citizens of Carter County to amend the Private Act, House Bill No. 1979, Senate Bill No. 1940, which formed the Watauga River Regional Water Authority, to include language that will allow the Hampton Utility District and the First Utility District the opportunity to opt out of said Authority upon a majority vote of the board of commissioners of each individual utility district; and

WHEREAS, it is in the best interest of the citizens and residents of Carter County and public welfare requires that this Resolution be adopted.

NOW, THEREFORE, BE IT RESOLVED by the County Commission of Carter County, Tennessee, meeting in regular session on this the 14th day of April, 2008, with a lawful quorum of said Commission being present and with a two-thirds (2/3) majority voting in the affirmative as follows:

1. That the Private Act, House Bill No. 1979, Senate Bill No. 1940, be amended to allow Hampton Utility District and First Utility District the opportunity to opt out of the Watauga River Regional Water Authority upon a majority vote of the board of commissioners of each individual utility district.

2. This Resolution shall be effective from and after its adoption.

CARTER COUNTY, TENNESSEE

By 
Mayor Johnny Holder

ATTEST:

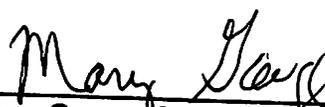

Mary Gouge, County Clerk

Exhibit " A"

**HAMPTON UTILITY DISTRICT
OF CARTER COUNTY, TENNESSEE, INC.**

BOARD OF COMMISSIONERS

RESOLUTION NUMBER 07-10-09

***A RESOLUTION TO THE CARTER COUNTY BOARD of
COUNTY COMMISSIONERS:***

**REQUESTING THE REMOVAL OF THE
HAMPTON UTILITY DISTRICT OF CARTER COUNTY, TN., INC.
FROM
THE WATAUGA RIVER REGIONAL WATER AUTHORITY**

WHEREAS, the Hampton Utility District Board of Commissioners' (Commissioners hereinafter) previous support for the WATAUGA RIVER REGIONAL WATER AUTHORITY (WRRWA hereinafter) was based on misleading information; AND

WHEREAS, the Board of Commissioners was informed that the surcharge unilaterally imposed by the WRRWA upon the Customers of The Hampton Utility District of Carter County, Tennessee, Inc. (the Utility hereinafter), set initially at \$0.50 per month, would never exceed \$2.00 per month and would be imposed only until the WRRWA was operating and selling water and thereby being self-sufficient, AND

WHEREAS, the Commissioners have learned that there is no maximum surcharge, AND

WHEREAS, WRRWA imposed a Ten Dollar (\$10.00) per month fee upon the Customers of The Utility (later reduced to Seven Dollars), AND

WHEREAS, by the Laws and Rules of Carter County, by Private Act of the Tennessee Legislature, WRRWA has power and authority, in the future, to impose a surcharge upon the Customers of The Utility in any amount they desire, AND

WHEREAS, The Utility does not now, nor in the anticipated future, need the water WRRWA proposes to sell to it, AND

WHEREAS, the Commissioners have determined that the surcharge imposed by WRRWA has no benefit to the Customers of The Utility and imposes a hardship upon said Customers, AND

WHEREAS, the Commissioners of The Utility voted, in a duly called and assembled meeting thereof, on the 9th day of October, 2007, to request The Carter County Board of County Commissioners, and/or The Tennessee Legislature, to remove The Hampton Utility District of Carter County, TN., Inc. from the jurisdiction and authority of The Watauga Regional Water Authority, an entity created by Act of The Carter County Board of County Commissioners,

NOW THEREFORE

BE IT RESOLVED, by THE BOARD OF COMMISSIONERS of THE HAMPTON UTILITY DISTRICT OF CARTER COUNTY, TN., INC., THAT:

SECTION I: The Carter County Board of County Commissioners, and/or The Legislature of The State of Tennessee, take all necessary action to remove The Hampton Utility District of Carter County, TN., Inc. from the jurisdiction and authority of The Watauga River Regional Water Authority, an entity created by Act of The Carter County Board of County Commissioners.

SECTION II: This Resolution shall take effect immediately, the Public welfare requiring it.

ADOPTED by The Board of Commissioners of The Hampton Utility District of Carter County, TN., Inc. in session duly assembled, on this the 9th day of October, 2007.

Introduced by Commissioner, Ron Pierce
Seconded by Commissioner, Jerry Street

Commissioners voting FOR THE RESOLUTION: Tester, Street, and Pierce.

Commissioners voting AGAINST THE RESOLUTION: None.

Commissioners ABSENT: None.

Entered this 9th day of October, 2007

ATTEST:

Ron Pierce
Ron Pierce, SECRETARY

The Hampton Utility District of Carter County, TN., Inc.

Exhibit "B"

**FIRST UTILITY DISTRICT
OF CARTER COUNTY, TENNESSEE, INC.**

BOARD OF COMMISSIONERS

RESOLUTION NUMBER 07-10-15

*A RESOLUTION TO THE CARTER COUNTY BOARD OF
COUNTY COMMISSIONERS:
REQUESTING THE REMOVAL OF THE
FIRST UTILITY DISTRICT OF CARTER COUNTY, TN., INC.
FROM
THE WATAUGA RIVER REGIONAL WATER AUTHORITY*

WHEREAS, the First Utility District Board of Commissioners' (Commissioners hereinafter) previous support for the **WATAUGA RIVER REGIONAL WATER AUTHORITY (WRRWA hereinafter)** was based on misleading information; **AND**

WHEREAS, the Board of Commissioners was informed that the surcharge unilaterally imposed by the WRRWA upon the Customers of The First Utility District of Carter County, Tennessee, Inc. (the Utility hereinafter), set initially at \$.50 per month, would never exceed \$2.00 per month and would be imposed only until the WRRWA was operating and selling water and thereby being self-sufficient, **AND**

WHEREAS, the Commissioners have learned that there is no maximum surcharge, **AND**

WHEREAS, WRRWA imposed a Ten Dollar (\$10.00) per month fee upon the Customers of The Utility (later reduced to Seven Dollars), **AND**

WHEREAS, by the Laws and Rules of Carter County, by Private Act of the Tennessee Legislature, WRRWA has power and authority, in the future, to impose a surcharge upon the Customers of The Utility in any amount they desire, **AND**

WHEREAS, The Utility does not now, nor in the anticipated future, need the water WRRWA proposes to sell to it, **AND**

WHEREAS, the Commissioners have determined that the surcharge imposed by WRRWA has no benefit to the Customers of The Utility and imposes a hardship upon said Customers, **AND**

WHEREAS, the Commissioners of The Utility voted, in a duly called and assembled meeting thereof, on the 15th day of October, 2007 to request The Carter County Board of County Commissioners, and/or The Tennessee Legislature, to *remove* The First Utility District of Carter County, TN., Inc. from the jurisdiction and authority of The Watauga Regional Water Authority, an entity created by Act of The Carter County Board of County Commissioners,

NOW THEREFORE

BE IT RESOLVED, by THE BOARD OF COMMISSIONERS of THE FIRST UTILITY DISTRICT OF CARTER COUNTY, TN., INC., THAT:

SECTION 1: The Carter County Board of County Commissioners, and/or The Legislature of The State of Tennessee, take all necessary action to remove The First Utility District of Carter County, TN., Inc., from the jurisdiction and authority of The Watauga River Regional Water Authority, an entity created by Act of The Carter County Board of County Commissioners.

SECTION II: This Resolution shall take effect immediately, the Public welfare requiring it.

ADOPTED by The Board of Commissioners of The First Utility District of Carter County, TN., Inc. in session duly assembled, on this the 15th day of October, 2007.

Introduced by Commissioner, *Don Colburn*

Seconded by Commissioner, *Larry J. Peters*

Commissioners voting FOR THE RESOLUTION:

Commissioners voting AGAINST THE RESOLUTION:

Commissioners ABSENT:

Entered this 15th day of October, 2007

ATTEST:

Hugh Gene Ritchie
Hugh Gene Ritchie, SECRETARY
The First Utility District of Carter County, TN., Inc.

A workshop for the full Commission concerning options regarding the Water Authority will be scheduled.

On motion by Jerry Pearman, seconded by Lynn Tipton Court was adjourned.