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September 5, 2014

David Foster, Chief
Utilities Division
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Re: Petition for Approval of Name Change from Berry's Chapel Utility, Inc. to
Harpeth Wastewater Cooperative -
Docket No. 14-00048

Dear Mr. Foster:

Attached are the responses to the staff's August 20, 2014 data request in the above-captioned docket.

Call me at 615-252-2363 if you have any questions.

Sincerely,

BRADLEY ARANT BOULT CUMMINGS LLP

By:

A handwritten signature in black ink, appearing to read 'Henry Walker', written over the printed name.

Henry Walker

HW/mkc
Enclosure

1. **Provide a copy of all Board and Company member meeting minutes, resolutions or bylaw amendments or similar documents adopted by the Board or Company members at any Board or Company member meeting held on or after March 13, 2014.**

RESPONSE: See Appendix One

2. **Describe in detail each step that has occurred, been implemented, has been or is in the process of being developed regarding the change in Berry's Chapel Utility, Inc's. ("Berry's Chapel" or "Company") governance and ownership into that of a member-owned cooperative.**

RESPONSE: Berry's Chapel does not qualify as a "cooperative" as the word is defined in several statutes within the Tennessee Code Annotated, and specifically, *Tennessee Code Annotated* § 65-4-101(6)(A)(v) (2014). Changing the name of the Company and adopting the seven cooperative principles does not make the Company a cooperative under any Tennessee statutes.

The Tennessee Nonprofit Corporation Act, *Tenn. Code Ann. § 48-51-101 et seq. (2014)* (the "Act"), recognizes two forms of nonprofit corporations:

- a) Mutual Benefit Corporations¹ and
- b) Public Benefit Corporations².

While other parts of the Tennessee Code Annotated permit the creation of specific nonprofit corporations, all nonprofit corporations fall into one of the two categories set forth above.

A "mutual benefit corporation" or "mutual company" is generally formed to further the common goals of their members rather than for profit or a public purpose. "Mutual company" is specifically defined as "A company that is owned by its customers rather than by a separate group of stockholders."³

A "cooperative corporation" is defined as "[a]n entity that has a corporate existence, but is primarily organized for the purpose of providing services and profits to its members and not for corporate profit." That is, it is an organization composed of and responsible to the members it serves." Black's Law Dictionary, Seventh Edition (1999).⁴

Berry's Chapel was created on July 16, 2010 as a nonprofit mutual benefit corporation, but it

¹ *Tenn. Code Ann. § 48-51-201(25)*

² *Tenn. Code Ann. § 48-51-201(30)*

³ Black's Law Dictionary, Eighth Edition (2004)

⁴ *Order Declaring Berry's Chapel Utility, Inc. to Be a Public Utility*, Docket No. 11-00005, 2011 Tenn. PUC LEXIS 118, *18 (August 5, 2011)

did not have members, until March 11, 2011, nor did it operate as a mutual benefit corporation, until the first membership meeting which was held on March 13, 2014.

Since the first membership meeting, Berry's Chapel has taken necessary steps in order to become a legitimate mutual benefit nonprofit corporation, as defined under Tennessee law. It held its first annual membership meeting on August 23, 2014, with 52 members (and two customers who are not members) attending, where the members elected the board of directors and substantially amended the bylaws to address the issues of 1) how and when directors are elected, 2) conflict of interest policy, 3) directors code of conduct, 4) prohibiting loans to directors and members, 5) distribution upon dissolution, 6) director and officer standard of conduct, and 7) other best practices utilized in the nonprofit sector.

The most important change that has taken place since March 2014 is the member involvement. The Act defines "Member" as

"(A)...any person or persons who on more than one (1) occasion, pursuant to a provision of a corporation's charter or bylaws, have the right to vote for the election of a director or directors;

"(B) A person is not a member by virtue of any of the following:

- (i) Any rights such person has as a delegate;
- (ii) Any rights such person has to designate a director or directors; or
- (iii) Any rights such person has as a director;" ⁵

In the *Order Declaring Berry's Chapel Utility, Inc. to Be a Public Utility*, Docket No. 11-00005, 2011 Tenn. PUC LEXIS 118, (August 5, 2011), the panel discussed the issue of members several times:

"the Consumer Advocate argued that the hallmark of a cooperative is having members." ⁶

"[I]f a utility is a true cooperative composed of the members it serves there is a built-in mechanism to ensure that the persons served by the utility are not completely at its mercy." ⁷

"The panel further found that the existence of a cooperative is contingent upon it having members and that a cooperative is an organization created by its members, for its members' benefit and controlled by its members. The essence of a

⁵ *Tenn. Code Ann.* § 48-51-201(22)

⁶ *Order Declaring Berry's Chapel Utility, Inc. to Be a Public Utility*, Docket No. 11-00005, 2011 Tenn. PUC LEXIS 118, *19 (August 5, 2011)

⁷ *Order Declaring Berry's Chapel Utility, Inc. to Be a Public Utility*, Docket No. 11-00005, 2011 Tenn. PUC LEXIS 118, *10 (August 5, 2011)

cooperative is the presences of member control rather that corporate control.”⁸

Clearly, member benefit and control are very important components of a mutual benefit corporation or a cooperative. Berry’s Chapel has taken steps to make the Company more inclusive of its members and the current board of directors will continue to make the Company member friendly. By having active members, the Company has “a built-in mechanism to ensure that the persons served by the utility are not completely at its mercy”.

The Company plans to apply for 501(c)(12) tax exempt status, as a “Like Organization” with the Internal Revenue Service in order to exempt its future savings from federal taxes. The purpose of an IRC 501(c)(12) organization is to provide certain services to its members at the lowest possible cost. To qualify for and maintain exemption under IRC 501(c)(12), a cooperative must receive eighty-five (85) percent or more of its income each year from its members, and the income must be collected solely to meet the cooperative’s losses and expenses.

The Internal Revenue Service has never distinguished between the terms "mutual" or "cooperative" for purposes of IRC 501(c)(12). However, the Service relies upon the Tax Court description of a “cooperative” in *Puget Sound Plywood v. Commissioner*, 44 T.C. 305, 307-308 (1965), *acq.* 1966-1 C.B. 3. In *Puget Sound Plywood*, the Tax Court described a cooperative as an organization comprised of members who sought "(1) [f]or themselves to own and manage the [organization], as distinguished from having it owned and managed by outside equity investors; and then (2) to have their [organization] turn back to the members the excess of the receipts from the store sales over the cost of the goods sold and the expenses of operation."

The Internal Revenue Service has identified three basic principles or requirements for mutual or cooperative organizations:

1. Democratic control by the members - This assures that members remain in control of the organization. A cooperative satisfies this requirement by 1) periodically holding democratically conducted meetings with members, each with one vote, and 2) electing directors who select the officers to operate the organization.
2. Vesting in and allocating all excess operating revenues among the members - A cooperative is required to return excess operating revenues to its member, which means the cooperative must not operate either for profit or below cost. A cooperative's savings belong to its members, not the organization, and it must allocate the savings to its members in proportion to the amount of business it did with each member.
3. Subordination of capital - This requires that those who contribute capital to the cooperative neither control the operations nor receive most of the pecuniary benefits of its operations. This principle distinguishes a cooperative from a for-profit

⁸ *Order Declaring Berry's Chapel Utility, Inc. to Be a Public Utility*, Docket No. 11-00005, 2011 Tenn. PUC LEXIS 118, *38 (August 5, 2011)

corporation, which is shareholder-oriented. The theory behind this requirement is that members band together to share their interest, risk, and burden to obtain services or benefits rather than invest as equity owners. Subordination of capital has two components:

- a) Members control and own the savings or monetary benefits from the IRC 501(c)(12) cooperative that stay with them rather than going to shareholders or equity investors.
- b) The cooperative must limit its return on capital to ensure savings or monetary benefit goes to its members rather than shareholders.

The actions taken and to be taken by the current board and membership show that the Company is controlled and will continue to be controlled by the members instead of any individuals or companies who are only equity investors. The Company will continue to modify its governing documents as needed in order to have the members maintain control of the Company.

3. Regarding the Company's adoption of "the seven principles of a member-owned cooperative" explain in detail:

- a. **How each of the principles applies to a nonprofit utility that is not a cooperative under Tennessee law;**

RESPONSE: The principles apply because the corporation has chosen to apply them to its operations.

The vast majority of companies operating as cooperatives in Tennessee are not organized under a specific statute that pertains to cooperative organization. Only telephone and electric cooperatives enjoy such specific statutory recognition in this state. Rather, most Tennessee cooperative businesses are organized under general corporate law (i.e., the 57 member cooperatives of the Tennessee Farmers Cooperative, operating over 150 retail outlets branded simply as "Co-Op").

What distinguishes a cooperative corporation is that it is composed of and responsible to whom it serves. That distinction is most tangibly demonstrated through the voluntary adoption of and adherence to the seven cooperative principles, most authoritatively identified by the International Co-operative Alliance.

Black's Law Dictionary, Seventh Edition (1999) defines "cooperative corporation" as "a[n] entity that has a corporate existence, but is primarily organized for the purpose of providing services and profits to its members and not for corporate profit." Therefore, the seven cooperative principles can be applied to any form of business organization, whether non-profit or for-profit.

The Company is organized under the Tennessee Non-Profit Corporation Act and has chosen to incorporate the seven cooperative principles as identified by the International Co-operative Alliance into its Charter, thereby constraining its operations in a very tangible way. A copy of the current charter is included as Appendix Two. As demonstrated by thousands of other utility cooperatives across the nation, this business model offers the most widely proven method for successfully operating a non-governmental, non-profit utility in a manner that directly benefits its users.

- b. Each member's ownership, profit/loss sharing, liability for debts or acts of the Company, and any other legal rights and/or obligations of each member relating to the nonprofit status and operation as a cooperative;**

RESPONSE:

Profit/Loss Sharing

Under Tennessee law, a member may receive a distribution (profit/loss sharing) from the Company in three situations:

- 1) Conferring benefits on the members of the nonprofit corporation in conformity with its purposes⁹
- 2) When the Company purchases the memberships, but only, if after the purchase is completed:
 - a) The Company would be able to pay its debts as they become due in the usual course of its activities; and
 - b) The Company's total assets would at least equal the sum of its total liabilities.¹⁰ and
- 3) When the Company dissolves its corporate existence with the Tennessee Secretary of State in conformity with *Tenn. Code Ann. § 48-64-101 et. seq.*¹¹

"Distribution" is defined as "the direct or indirect transfer of assets or any part of the income or profit of a corporation, to its members, directors, or officers."¹²

"Distribution" does not include:

- (A) The payment of compensation in a reasonable amount to its members, directors,

⁹ *Tenn. Code Ann. § 48-51-201(11)(B)*

¹⁰ *Tenn. Code Ann. § 48-63-102(a)*

¹¹ *Tenn. Code Ann. § 48-63-102(c)*

¹² *Tenn. Code Ann. § 48-51-201(11)*

- or officers for services rendered;
- (B) Conferring benefits on its members in conformity with its purposes;
- (C) Repayment of debt obligations in the normal and ordinary course of conducting business activities; or
- (D) The incurrence of indebtedness, whether directly or indirectly (including through a guaranty), for or on behalf of a member, director or officer.

If the Company makes an unlawful distribution to the members, then any director who votes for or assents to a distribution made in violation of the applicable statutes or the charter is personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without the statutes or the charter.¹³ However, a director who is held liable for an unlawful distribution is entitled to contribution from: 1) Every other director who voted for or assented to the distribution, and 2) each person who received an unlawful distribution for the amount of the distribution.¹⁴

Liability for debts or acts of the Company

A member of a corporation is not, as such, personally liable for the acts, debts, liabilities, or obligations of the corporation.”¹⁵

Other legal rights and/or obligations

Members are generally, only liable for the following as they relate to the Company:

- 1) Dues, assessments or fees by consenting (expressly or impliedly) to such obligation.¹⁶
- 2) In a case where a creditor of the Company that has obtained a final judgment in its favor against the corporation and execution has been returned unsatisfied, the creditor may attach any liability or obligation a member owes to the Company.¹⁷ and
- 3) Any unlawful distributions as noted above.

- c. Each non-member's ownership, profit/loss sharing, liability for debts or acts of the Company, and any other legal rights and/or obligations of each member relating to the nonprofit status and operation as a cooperative; and**

¹³ *Tenn. Code Ann. § 48-63-304(a)*

¹⁴ *Tenn. Code Ann. § 48-63-304(b)*

¹⁵ *Tenn. Code Ann. § 48-56-203*

¹⁶ *Tenn. Code Ann. § 48-56-204(a)*

¹⁷ *Tenn. Code Ann. § 48-56-205(a)*

RESPONSE: Non-members do not have any ownership interest in the Company.

- d. All differences, including any legal consequences, of actually operating as a cooperative or only operating in accordance with cooperative principles.**

RESPONSE: Under current Tennessee law the Company does not qualify as corporation organized as a cooperative, so it therefore cannot "actually operate as a cooperative", so the company has organized itself to operate according to Cooperative principles. See the answer to question 3(a).

4. Regarding Company customers and members:

- a. Provide the latest number of customers and how many of those customers that the Company purports to be members;**

RESPONSE: We have approximately 850 customers of which 266 are members as of 9/3/14.

- b. Describe in detail all efforts aimed at attaining members and explain in detail the process by which a customer attains such membership;**

RESPONSE: Beginning with the first letter announcing the new board, HWC has offered membership to the customers. That mailing included a membership form they could complete if they choose to become members and mail to the office. HWDC has offered the Application for Membership, as well as offering a place on the HB&TS and MVUD bills to sign up and return with their payments. Once the website was up and running, HWC offered an online form to complete that was emailed to the office. The email address has been printed on all bills. All methods addressed the customers' main concern that by law they were not liable for the debt of the company if they became a member. See also the response to Question 6.

- c. Define a member, e.g., is membership limited to households, meters, individuals, etc.;**

RESPONSE: Membership is limited to one member per meter. Spouses are joint members.

- d. Provide a breakdown of the number of members by community, e.g., Cottonwood, River Landing, Legends Ridge, etc.;**

RESPONSE:

Cottonwood:	210
River Landing:	38

Legends Ridge: 10
 Green Meadow: 1
 Farmington: 2
 Chapelwood: 5

- e. **Have any customers expressly denied the opportunity to become members? If so, provide the names of those persons.**

RESPONSE: Ward Brown attended the Annual Meeting of the Members and stated at sign in, that he was not a member nor did he want to be one at that time.

- f. **Currently, how can non-members participate in the control of the company?**

RESPONSE: Non-members are invited to offer input to the Company's Board of Directors at any time. Such input is accepted by telephone at the Company's offices, by mail, or through the online contact form provided on the www.harpethcoop.com website. Further, all customers (not just members) were invited to the Company's annual meeting. A specific agenda item at the annual meeting was an opportunity for any customer (regardless of membership status) to ask questions or raise concerns.

5. **Mr. Knotts stated that the independent directors (i.e., board members) have a fiduciary duty owed to customers.**

- a. **Describe in detail the fiduciary duty owed to the customers.**

RESPONSE: The board of directors does not owe a fiduciary duty to the customers. However, the board does owe a fiduciary duty to the Company and the members of the Company.

Under Tennessee law, "directors and officers of nonprofit corporations also owe a fiduciary duty to the corporation. [Citations omitted]. There are two basic fiduciary duties: the duty of care and the duty of loyalty. They are embodied in the Revised Model Nonprofit Corporation Act and have been enacted in Tennessee:

(a) a director shall discharge all duties as a director, including duties as a member of a committee:

- (1) In good faith;
- (2) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (3) In a manner the director reasonably believes to be **in the best interests of the corporation**.¹⁸¹⁹ (Emphasis added)

¹⁸ *Tenn. Code Ann.* § 48-58-301(a)

¹⁹ *Summers v. Cherokee Children & Family Servs.*, 112 S.W.3d 486, 503 (Tenn. Ct. App. 2002).

Directors are required “to ensure that the corporation has the benefit of their best judgment, and act with reasonable care in good faith to promote its welfare”,²⁰ and “to ensure that a corporation's resources are used to achieve the corporation's purposes and not to enrich the directors, and must be principally concerned about the effective performance of the nonprofit's purpose, goal and mission”.²¹

“The central purpose of fiduciary duties of officers and directors of nonprofit corporations is to ensure that a corporation's resources are used to achieve the corporation's purposes and not to enrich the directors.’ (*Citations omitted*). ‘In particular, the duty of loyalty requires that a director or officer faithfully pursue the interest of the organization, and its nonprofit purpose, rather than his or her own financial or other interests, or those of another person or organization.’”²²

In order to ensure the directors uphold their fiduciary duties to the members and the Company, the members amended the bylaws to 1) implement a conflict of interest policy, 3) developed the directors code of conduct, 4) prohibit loans to directors and members, and 5) the director and officer standard of conduct.

b. State whether any member of the Board has

- 1) waived the provisions in the utility's charter providing for no liability on the part of a director for breach of a fiduciary duty and for indemnification of directors to the fullest extent permitted under Tennessee law, or**

RESPONSE: No. Tennessee law creates a limitation of and immunity for directors for breach of their fiduciary duties. “The general assembly finds and declares that the services of nonprofit boards are critical to the efficient conduct and management of the public and charitable affairs of the citizens of this state. Members of such nonprofit boards must be permitted to operate without concern for the possibility of litigation arising from the discharge of their duties as policy makers.”²³ (Emphasis added)

- 2) waived similar provision within the utility's bylaws.**

RESPONSE: No

- 6. At the hearing held in Docket 14-00004 on August 11, 2014, Mr. Moore stated, "Every new customer now, the sign-up sheet to be a customer is also a membership application**

²⁰ Id at 503.

²¹ Id at 504

²² Id at 504

²³ *Tenn. Code Ann.* § 48-58-601

that just gets automatically approved."³ Regarding this statement:

- a. Provide a copy of all documentation presented to a new/prospective customer.

RESPONSE: See Appendix Three

- b. Does the material provided to a new/prospective customer state clearly that they are not required to become a member? If not, please explain fully.

RESPONSE: Yes, the Service and Membership Agreement clearly states that the applicant is not required to become a member and specifically, allows the applicant the option of not becoming a member. The language in the application states:

All customers are entitled to membership and by submitting this application; you consent to becoming a member of the Harpeth Wastewater Cooperative. Membership entitles you to vote. Membership is not required by law and does not make you financially liable for the debts and obligations of Harpeth Wastewater Cooperative (*Tennessee Code Annotated* § 48-56-203). You are not required to become a member, and if you desire to opt out of membership, please check the box below.

☐

I do not wish to become a member.

- c. If a new/prospective customer is automatically a member by agreeing to new service, reference any law allowing the utility to automatically assign membership to new/prospective customers.

RESPONSE: Only new customers may become members. "Prospective" customers are not offered membership, since they are not actual customers of the Company.

New customers will automatically become members upon completing and submitting the application, unless the applicant chooses to opt out of being a member. Tennessee law requires that "[n]o person shall be admitted as a member without the person's consent."²⁴ The application for service is structured so, the applicant provides his/her/its explicit consent by submitting the application, but has the option to opt out of being a member.

7. At the hearing held in Docket No. 14-00004 on August 11, 2014, Mr. Moore stated, "But some fears that are unreasonable is some people think that if you become a member and you own part of the corporation, that you can get dinged; if there's a loss that somebody is going take your money. We've quoted the statutes." Regarding this statement:

- a. Provide a copy of all statutes referred to by Mr. Moore.

²⁴ *Tenn. Code Ann.* § 48-56-101(b)

RESPONSE: *Tennessee Code Annotated § 48-56-203. Member's liability to third parties.*

“A member of a corporation is not, as such, personally liable for the acts, debts, liabilities, or obligations of the corporation.”

- b. Do members own part of the corporation? If not, please explain. If so, please fully explain all liabilities that members have regarding ownership.**

RESPONSE: Yes, the members own the Company.

As noted in question 3b and 7a, the members of the Company are not personally liable for the acts, debts, liabilities, or obligations of the corporation. However, Members of the Company are liable for the following as they relate to the Company:

- 1) Dues, assessments or fees by consenting (expressly or impliedly) to such obligation.
- 2) In a case where a creditor of the Company that has obtained a final judgment in its favor against the corporation and execution has been returned unsatisfied, the creditor may attach any liability or obligation a member owes to the Company. and
- 3) Any unlawful distributions as noted above in Question 3b.

- c. If members do not own the corporation, please state who currently owns the utility. What are the liabilities of the individuals listed in your answer to this question?**

RESPONSE: N/A

- d. If the utility has a shortfall at year end (or any other time) and does not have enough cash to pay its debt and expense obligations, who is responsible for paying those past debts and how would the utility propose to pay them? Please take into consideration the IRA's long-standing policy of only allowing rate recovery of operation and maintenance expenses on a going forward basis.**

RESPONSE: The Company only has two sources of cash: charges and fees collected from its customers, and its ability to borrow (subject to TRA approval). The corporation, and corporation alone, is responsible for paying all debt and expense obligations and therefore must manage its cash in such a manner as to avoid such potential shortfalls. However, the use of a short-term line of credit would be helpful in smoothing any potential future cash needs.

- 8. Given that Tennessee law has specific statutes regarding electric and telephone cooperatives, please reference any statute(s) that authorize wastewater utilities to operate as a cooperative or allows a non-profit wastewater utility to use the term**

"cooperative" in its name.

RESPONSE: Tennessee law does not specifically allow nor prohibit a non-profit wastewater utility from using the term "cooperative" in its name. The name of a corporation is required to be "distinguishable upon the records of the secretary of state from the respective names of or for every other entity, whether true, assumed, reserved or registered, to the extent the use or reservation of such names is evidenced by a filing with the secretary of state under applicable law."²⁵

9. Provide a copy of the bill currently sent to Berry's Chapel's customers.

RESPONSE: See Appendix Four for the most recent bill provided directly to customers by the Company (H.B.&T.S. and MVUD water customers), as well as a copy of the bill produced by the City of Franklin for its water customers who receive wastewater service from the Company.

10. Provide copies of all correspondence given to consumers advising them of the opportunity to join as members. Has the Company provided clear correspondence informing customers that they are not required by law to join? If so, provide a copy of that correspondence. If not, please explain in detail why consumers have not been advised that they are under no obligation to join.

RESPONSE: Every customer invoice includes the message that begins with "Membership entitles you to vote....." that is illustrated on the example invoice included in Appendix Three. Copies of two letters to all customers that discuss Membership are included as Appendix Five. None of these communications indicate that Membership is a requirement of receiving utility service, so therefore disclaimers specifically stating that customers are under no obligation to join have not been deemed necessary.

²⁵ *Tenn. Code Ann. § 48-54-101(b)*

APPENDIX 1

Berry's Chapel Utility
Board of Directors Meeting
March 13, 2014

1. CALL TO ORDER AND ELECTION OF A MODERATOR:

Attendees

Mike Knotts
Bill Goodwin
James Savage
Steve Seger
Tom Moore

Mike Knotts called the meeting to order. The members decided to identify 3 positions and elected the following positions. Descriptions of the duties of each position were defined.

Description of Duties

Chairman – Conduct the meeting

Vice-Chair – Conduct the meeting in the absence of the Chairman

Secretary – Record the proceedings and publish the Minutes of this meeting.

By acclamation the following were elected:

Chairman	Mike Knotts
Vice-Chair	Steve Seger
Secretary	Tom Moore

2. NOTICE OF THE MEETING:

All 5 members of the newly elected Board being present Notice is waived.

3. OLD BUSINESS:

No Old Business

4. NEW BUSINESS:

RESOLUTION ID: 2014-005

TITLE:

A motion to appoint an interim President.

SUBMITTED BY: Mike Knotts Second by: Bill Goodwin

TEXT OF THE RESOLUTION:

Motion is made to appoint Mr. Charles Kildgore as interim President of Berry's Chapel Utility, Inc. with no compensation to act for the Board in carrying out the 4 resolutions of the Membership passed at the 3/13/2014 Special called meeting of the Membership. All Action to be at the Direction of the Board.

Motion Passed by Acclamation, none opposed

Berry's Chapel Utility
Board of Directors Meeting
March 13, 2014

5. DIRECTIONS FOR MR. KILDGORE:

Mr Kildgore was asked to join the Board Meeting.

Mr. Kildgore was instructed to be present at the corporate offices on Friday, March 14th, at 8:00 am, accompanied by Mr. Goodwin, for the purpose of taking control of the operations and begin serving the resolutions passed by the membership.

If the management is resistant to the recognition of the newly elected Board, Mr. Kildgore was instructed to leave. Results of the attempt to exercise the will of the Membership were to be reported to the Board.

6. ADJOURNMENT:

Motion to Adjourn was made and seconded

Approved by Acclamation, none opposed.

This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. on March 13, 2014.

Submitted by:



Tom W. Moore
Acting Secretary

Date:

3/16/2014

Berry's Chapel Utility
Board of Directors Meeting
March 15, 2014

1. CALL TO ORDER AND ATTENDANCE:

Attendees

Mike Knotts
Bill Goodwin
James Savage
Steve Seger
Tom Moore

Tyler Ring (Utility Contractors and President BCU)
Scott Davis (Utility Contractors)

2. NOTICE OF THE MEETING:

All 5 members of the newly elected Board being present Notice is waived.

3. OLD BUSINESS:

No Discussion

4. NEW BUSINESS:

RESOLUTION ID: 2014-006

TITLE:

A resolution rescinding the appointment of Mr. Charles Kildgore as interim President

ISSUE/RATIONALE:

Utility Contractors and Mr. Tyler Ring (current President of BCUI) requested direct dialogue with the Board under the stipulation that the existing management remain during the initial discussion. The desire was to cooperate in a smooth transition. And begin implementing the resolutions passed at the Membership meeting of March 13, 2104.

FINANCIAL IMPACT: None

SUBMITTED BY: Mike Knotts

TEXT OF THE RESOLUTION:

Resolve that the Mr. Charles Kildgore as interim President

Motion by Mike Knotts, 2nd by Bill Goodwin

Approved by vote of 5 for and 0 Opposed.

RESOLUTION ID: 2014-007

TITLE:

A resolution directing Mike Knotts the responsibility of drafting a Joint Agreement for transfer of Board Authority to the Board elected by the membership at the March 13, 2014 Special Meeting.

Berry's Chapel Utility
Board of Directors Meeting
March 15, 2014

ISSUE/RATIONALE:

Various legal issues regarding the election of a Board at a Special Meeting could be cause to question the validity of the New Board. A joint effort with the existing Board to remove the questions are in the best interest of the Membership

FINANCIAL IMPACT: None

SUBMITTED BY: Tom Moore

TEXT OF THE RESOLUTION:

The Board delegates to Mr. Mike Knotts responsibility for drafting a "Joint Agreement" for transfer of Board responsibility, authority, and recognition to the new Board.

Motion by Tom Moore, 2nd by Bill Goodwin

Approved by vote of 5 for and 0 Opposed.

RESOLUTION ID: 2014-008

TITLE:

A resolution to change the Registered Agent for the corporation to Mike Knotts.

ISSUE/RATIONALE:

Action is necessary to implement Membership passed resolution 2014-003 regarding amendments to the Charter and State Registration.

FINANCIAL IMPACT: None

SUBMITTED BY: Tom Moore

TEXT OF THE RESOLUTION:

The Board delegates to Mr. Mike Knotts responsibility for drafting a "Joint Agreement" for transfer of Board responsibility, authority, and recognition to the new Board.

Motion by Steve Seger, 2nd by Bill Goodwin

Approved by vote of 5 for and 0 Opposed.

5. ADDITIONAL INFORMATION:

A request for information required to implement Resolution 2014-001 regarding Strategic Review was made to Mr. Ring as President and old Board member. Such information was to

Berry's Chapel Utility
Board of Directors Meeting
March 15, 2014

be gathered and provided as soon as possible to the New Board. Mr Knotts was to provide the list he verbalized. Mr. Ring promised to provide the information.

List of Information requested is attached:
BOD Meeting - 2014-03-15 ADD 1 - Info Request _1

6. ADJOURNMENT:

Motion to Adjourn was made and seconded

Approved by Acclamation, none opposed.

This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. on March 15, 2014.

Attested by:



Date: 3/16/2014

Tom W. Moore
Acting Secretary

BERRY'S CHAPEL UTILITY, INC – BOARD MEMBER BACKGROUND BRIEFING BINDER
MARCH 17, 2014
5 COPIES FOR DISTRIBUTION TO BOARD OF DIRECTORS

1. Governance

- A. List of members
- B. Current charter
- C. Current bylaws
- D. All Board minutes on record, in chronological order

2. Operations

- A. List of all approved fees and rates
- B. Breakdown of customers by class
- C. Overview of physical plant (collection and treatment)
- D. Maps of physical plant
- E. Copies of permits (expired and draft)
- F. Profile of each employee, for each:
 - Name
 - Photo (if available)
 - Position
 - Type of employment (regular or contract)
 - Job Description
 - Pay Rate

3. Financial

- A. Complete copies of all audit reports
- B. Balance sheet and income statement, through end of previous fiscal year
- C. Balance sheet and income statement, current year through end of February
- D. Cash flow analysis, through end of previous fiscal year
- E. List of current liabilities (excluding routine accounts payable), for each:
 - Date of origin
 - Purpose of indebtedness
 - Name of creditor
 - Interest rate
 - Principal balance
 - Third party guarantees/secondary liability
- F. Copies of all current contracts/agreements between BCUI and third parties
 - Management
 - Legal
 - Suppliers
 - Human Resources/Personnel
 - All others
- G. Depreciation Schedule
- H. List of additional company owned assets not included in deprecation schedule
- I. All annual reports to Tennessee Regulatory Authority, in chronological order
- J. All annual reports to Secretary of State on record, in chronological order
- K. All TN franchise and excise tax filings, in chronological order
- L. All federal tax returns, in chronological order

Berry's Chapel Utility
Special Board of Directors Meeting
April 14, 2014

1. CALL TO ORDER AND ATTENDANCE:

Attendees

Mike Knotts	Terry Buckner
Bill Goodwin	
James Savage	
Steve Seger	
Tom Moore	

2. NOTICE OF THE MEETING:

All 5 members of the newly elected Board being present Notice is waived.

3. OLD BUSINESS:

No Discussion

4. NEW BUSINESS:

Purpose of the meeting was to receive a briefing from Mr. Terry Buckner regarding the Financial Statements of the corporation and liquidity. Mr. Buckner provide a verbal report and not action was taken by the Board.

5. ADJOURNMENT:

Motion to Adjourn was made and seconded.

Approved by Acclamation, none opposed.

This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. on April 14, 2014.

Attested by:



Tom W. Moore
Secretary-Treasurer

Date:

4/14/2014

Berry's Chapel Utility
Board of Directors Meeting Minutes
April 5, 2014

1. Call to Order at 8:00 am at Berry's Chapel Corporate Office
 - a. Meeting was Called to Order with the following in Attendance
 - i. BOD Members (Mike Knotts, Steve Seger, Bill Goodwin, Jim Savage, Tom Moore)
 - ii. Tyler Ring (Initial Board Member and current President of BCU) also representing Utility Consultants of Tennessee, Inc.
 - iii. Scott Davis (Utility Consultants of Tennessee, Inc.)
2. Approval of Minutes
 - 3/13/14 Organizational Meeting
 - 3/15/14 Special Meeting
 - a. Minutes were approved by Acclamation.
3. Old Business
 - a. Recognition of NEW Board
 - i. Tyler Ring presented a "RESOLUTION OF RESIGNATION OF THE INITIAL DIRECTORS OF BERRY'S CHAPEL UTILITY, INC." Resolution tenders the resignation of the Initial Directors and passes control to the NEW Directors. (Document Attached)
 - b. Statement of Mutual Intent
 - i. A stipulation for the recognition of the New Directors was the signing of a STATEMENT OF MUTUAL INTENT stating the agreed terms of the transition. Mr. Mike Knotts signed the agreement with the unanimous agreement of all New Directors. (Document Attached)
 - c. Mr. Seger reported that he has contacted the homeowners associations offering to have representatives from the Board attend their meetings to aid in the transition.
 - d. Registered Agent Change
 - i. The Registered Agent will be changed with the filing of the Annual Report due the State. Mr Knotts will be the agent as approved by previous Resolution of the Board.
 - e. Rate Case currently before the Tennessee Regulatory Authority "TRA"
 - i. By mutual consent of the TRA, the Consumer advocate division of the Attorney General's office, and the Board of BCU the rate case has been delayed 30 days to allow all parties to determine the financial status of BCU.
4. Discussion of new name

Resolution 2014-009

Resolved that the Board of Directors change the name of Berry's Chapel Utility, Inc. to "Harpeth Wastewater Cooperative" effective as soon as proper legal filings may be accomplished.

Motion by: Steve Seger
Motion carried 5 – 0

Second by: Mike Knotts

5. Discussion of corporate legal representation

Berry's Chapel Utility
Board of Directors Meeting Minutes
April 5, 2014

Resolution 2014-010

Resolved that the Board of Directors authorize Mr. Mike Knotts to sign a Letter of Engagement with Buerger, Mosely and Carson for services in regard to Corporate Law and legal implications of non-profit corporations.

Reasoning:

Buerger, Moseley, and Carson, PLC has offered to provide Mr. Kenny Young as General Counsel to the Utility. Their fee would be a flat fee retainer of \$5,000 for the first year of services, which would include services pertaining to corporate law (charter and bylaw changes, name changes, corporate filings, application for tax exempt status, advice to the Board on Board operations, etc). Any work performed by the firm's litigators would be billed separately on a per hour basis.

Motion by: Tom Moore

Second by: Jim Savage

Motion carried 5 – 0

6. Discussion on selection of corporate officers of BCU.

a. President

Resolution 2014-011

Resolved that the Board of Directors appoint Mr. Mike Knotts as President of BCU effective immediately. Furthermore be it resolved that the present limitation on expenditures as stated in the Utility Consultants of Tennessee, Inc. management contract to be \$10,000.00 will be retained. Approval for expenditures over \$10,000.00 will require prior approval of an officer of the corporation as stated in the Bylaws. (President or Vice-President)

Reasoning:

Oversight of contracted third parties is necessary to control the financial transactions of the company. Additionally the State of Tennessee requires at least 2 Corporate Officers be named.

Motion by: Bill Goodwin

Second by: Jim Savage

Motion carried 5 – 0

b. Vice-President

Resolution 2014-012

Resolved that the Board of Directors appoint Mr. Steve Seger as Vice-President of BCU effective immediately.

Reasoning:

The Vice-President serves in the absence of the President.

Berry's Chapel Utility
Board of Directors Meeting Minutes
April 5, 2014

Motion by: Bill Goodwin Second by: Jim Savage
Motion carried 5 – 0

c. Secretary-Treasurer

Resolution 2014-013

Resolved that the Board of Directors appoint Mr. Tom Moore as Secretary-Treasurer of BCU effective immediately.

Reasoning:

Secretary-Treasurer is the second officer required by the State of Tennessee, Takes action to call meetings of the Board and the Membership, and is signatory on annual filings.

Motion by: Steve Seger Second by: Bill Goodwin
Motion carried 5 – 0

7. Resolution recognizing authorized signatories to Reliant bank

Resolution 2014-014

RESOLVED, that Berry's Chapel Utility, Inc., ("BCU") hereby authorizes Reliant Bank (the "Bank") to provide the accounts, products or services as requested; and that the following resolutions shall remain in full force and effect until written notice of their amendment or rescission shall have been received by the Bank, and the receipt of said notice shall not affect any action taken by the Bank prior thereto;

RESOLVED, that the Bank be named as a depository of the Organization and, in the case of all depository accounts on which checks, drafts, and/or notes may be written as provided in the Rules and Regulations of the Bank with respect to that type of account as now in force or as may be amended from time to time by the Bank, the funds deposited with the Bank may be withdrawn upon a written check, draft, note or order of the Organization signed by any two (2) of the following.

Mike Knotts, President
Tom Moore, Vice-President
Stacy Crouch, Billing Clerk
Laura Morrissey, Secretary

Reasoning:

Prudent financial control would dictate that only employees of BCU should be authorized to sign checks. Additionally it is prudent to require two (2) signatures on checks to achieve better control over disbursements.

Berry's Chapel Utility
Board of Directors Meeting Minutes
April 5, 2014

Motion by: Mike Knotts Second by: Steve Seger
Motion carried 5 – 0

8. Communications

Board discussed various communication methods. No action was required. However, the Board determined that it would be prudent to continue the communication efforts in the following manner. An ad hoc committee was formed led by Bill Goodwin. Jim Savage and Tom Moore will assist.

- Letter to all customers explaining the change in Board leadership.
- News Release regarding the change in Board leadership
- Homeowner Association visits are in order to communicate action
- Web Site and Email opportunities should be explored.

9. Discussion of methods to increase membership

- a. It is understood that many customers feel that becoming a member could lead them to a legal entanglement. An education effort is needed to provide the legal information to the customers so that this fear may be overcome.
- b. Mr. Knotts will consult the legal experts to determine if membership can be granted without the need for an application. Such membership would be granted as part of the service application process or automatically by being an existing BCU customer.

10. Schedule special called Board meeting regarding Finance/Regulatory/Legal

- a. Various potential dates were discussed. Mr. Ring will contact Mr. Terry Buckner to determine available dates and coordinate with Mr. Knotts.

11. Schedule special called Board meeting with TRA staff (Shiva Bozarth, Jerry Kettles)

- a. Various potential dates were discussed. Mr. Knotts will contact TRA to determine available dates and coordinate with the Board.

12. Schedule regular meetings of the Board

- a. Regularly Scheduled meetings of the Board will be the LAST Saturday of each Month beginning in May 2014 beginning at 8:00 am in the meeting rooms of the main treatment facility at 180 Cottonwood Circle.
- b. The April 2014 meeting will be held on May 2, 2014 beginning at 6:00 pm at the main treatment facility at 180 Cottonwood Circle.

13. Schedule educational tour of treatment facility for Board

- a. Continued to next meeting.

14. Schedule annual meeting of the Members

- a. It was agreed that the first ANNUAL meeting of the Membership will be August 23, 2014. Such agreement is contingent on availability of a suitable facility that can accommodate the expected attendees. Mr. Goodwin will make inquiries about potential facilities.

15. Report from Management/Instructions for Management

Berry's Chapel Utility
Board of Directors Meeting Minutes
April 5, 2014

- a. Mr. Ring was instructed to review and report on the status of payment to Mr. Knotts regarding Flood Insurance.
- b. Mr. Ring requested authorization from the Board to purchase a Variable Frequency Drive for the Main Pump Station. The purchase would provide compliance with requirements that match the inflow measurement to the outflow measures. Currently the measurements indicate that BCU releases more clean water than it receives in wastewater. Additionally, the purchase would alleviate problems with thrown breakers and should reduce electric utilization. Board agreed with the purchase and Mr. Ring was instructed to proceed.

16. Other new business

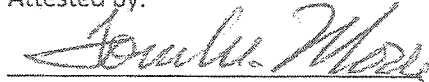
- a. None

17. Adjournment

Meeting adjourned at 11:30 am.

This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. on April 5, 2014.

Attested by:



Tom W. Moore
Secretary-Treasurer

Date:

4/7/2014

RESOLUTION OF RESIGNATION OF THE INITIAL DIRECTORS
OF BERRY'S CHAPEL UTILITY, INC.

WHEREAS, Tyler L. Ring, John Ring, and James B. Ford, (collectively the "Initial Directors") the Initial Directors of Berry's Chapel Utility, Inc (the "Utility") have served in the capacity of Director since the incorporation of the Utility on July 14, 2010, and

WHEREAS, the Initial Directors of Berry's Chapel Utility have not caused an annual meeting of the Utility at which Directors could be elected to be held, and

WHEREAS, the Initial Directors of Berry's Chapel Utility have a desire to transfer governance of the Utility to a member-elected Board, and

WHEREAS, the members of Berry's Chapel Utility gathered for a meeting on March 13, 2014, for the purposes of electing a Board of Directors for the Utility, and

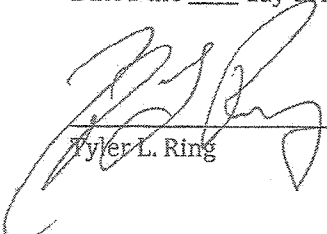
WHEREAS, the members of Berry's Chapel Utility elected a five members of the Utility to serve in the role of Director at the meeting, and

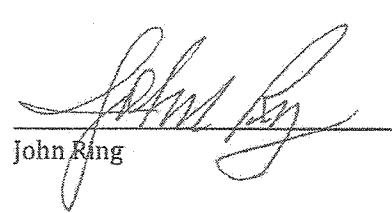
WHEREAS, those five individuals elected are Mr. W.D. "Bill" Goodwin, Mr. Michael Knotts, Mr. Tom Moore, Mr. James Savage, and Mr. Steve Seger, (collectively the "New Directors"),

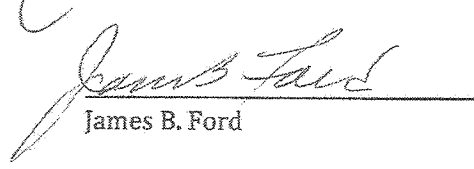
BE IT SO RESOLVED, that the Initial Directors of Berry's Chapel Utility do resign the position of Director of Berry's Chapel Utility as of the date of this Resolution, and

BE IT SO FURTHER RESOLVED, that the New Directors shall assume the role of Director of Berry's Chapel Utility as of the date of this Resolution.

Dated the 5th ^{APRIL} ~~day of March~~, 2014.


Tyler L. Ring


John Ring


James B. Ford

STATEMENT OF MUTUAL INTENT
BETWEEN THE INITIAL DIRECTORS AND NEW DIRECTORS
OF BERRY'S CHAPEL UTILITY, INC.

Upon the resignation of the Initial Directors of Berry's Chapel Utility, Inc., it is the stated desire of both the Initial Directors and the New Directors* that the transition of governance of the Utility be guided by two shared principles.

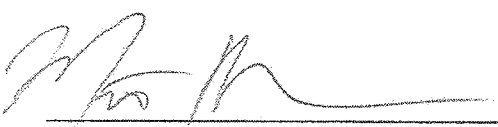
First, the Initial Directors of Berry's Chapel Utility do recognize the outcome and shall not challenge the validity of the election of the members elected to the Board at the meeting of the members on March 13, 2014. Second, the New Directors of the Berry's Chapel Utility have no intention of appointing Mr. Charles Kildgore to any position in the company.

Both parties intend to work cooperatively through the transition of governance to ensure operational continuity, maintain good communications and compliance with the rules, requests, and orders of the Tennessee Regulatory Authority, develop methods to effectively and efficiently improve both the operational and financial state of the company, and shall make all decisions based on the best interests of the members and customers of the utility.

Dated the 5th day of April, 2014.



Tyler Ring
on behalf of the Initial Directors



Michael Knotts
on behalf of the New Directors

* The Initial Directors consist of Mr. John Ring, Mr. Tyler Ring, and Mr. James Ford. The New Directors consist of Mr. W.D. "Bill" Goodwin, Mr. Michael Knotts, Mr. Tom Moore, Mr. James Savage, and Mr. Steve Seger.

Harpeth Wastewater Cooperative
Board of Directors Meeting
May 2, 2014
6:35 p.m.

1. CALL TO ORDER AND ATTENDANCE:

Attendees

Mike Knotts
Bill Goodwin
James Savage
Steve Seger
Guest: Attorney Kenny Young

Absent: Tom Moore

2. NOTICE OF MEETING:

Regularly scheduled meeting, therefore notice not required

3. OLD BUSINESS

Report of Communications Committee

Bill Goodwin provided draft of suggested remarks by board members to use in meetings with customers prior to annual meeting.

James Savage reported that development of the website is progressing.

Report on Membership Issues

Bill Goodwin reported he has received membership application from James Ezell. Kenny Young discussed state law regarding membership in non-profit corporations.

Report on Annual Meeting

Meeting set for August 23, 2014

Report on potential environmental lawsuit

Mike Knotts reported discussions underway but issue not resolved

Report on settlement discussions with Tyler Ring

Mike Knotts reported he had lunch with Tyler Ring and outlined expectations. Another meeting is to be scheduled soon.

4. NEW BUSINESS

The Board held an extensive discussion of a pro-forma budget for FY 14-15 developed by James Savage. No action was taken, as several cost containment efforts are outstanding and could result in expense reductions.

RESOLUTION ID: 2014-009

A resolution approving March Profit and Loss report and Balance Sheet, noting valuation is inaccurate and will be require balance sheet to be restated.

Motion made by Mike Knotts, 2nd by Bill Goodwin

Motion passed 4-0

RESOLUTION ID: 2014-010

A resolution instructing President Knotts to instruct counsel to prepare a settlement offer with the Consumer Advocate Division for docket 14-0004. Request is for a \$1/month/customer for 12 months to complete TRA financial security requirement, and \$4/month/customer for 24 months to establish an escrow account for capital improvements and repairs.
Motion made by James Savage, second by Steve Seger
Motion passed 4-0.

RESOLUTION ID: 2014-011

A resolution to accept the Strategic Actions list, offered by Mike Knotts, as a guide for an action plan for the Board for the coming year.
Motion by Mike Knotts, Second by James Savage
Motion passed 4-0.

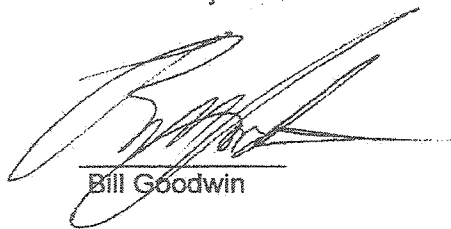
5. OTHER BUSINESS

Discussion regarding the appropriateness of the utility's reimbursements of consultant expenses, as well as the trees surrounding the physical plant resulted in agreement to allow Mike Knotts, in his role as President, to resolve the issues.

6. ADJOURNMENT

This represents the actions of the Board of Directors of Harpeth Wastewater Cooperative on May 2, 2014.

Attested by


Bill Goodwin

Date

May 2, 2014

Strategic Actions

1. **Finalize Rate Case**
2. **Settlement with Rings**
3. **Restatement of financials**
4. **Re-financing of debt**
5. **Restatement of financials**
6. **Operational re-structuring, options:**
7. **Prepare for annual meeting**
8. **Finalize other outstanding Dockets**
9. **Settlement of Legal Expenses**
10. **Legislative efforts to de-regulate**

Berry's Chapel Utility
Board of Directors Meeting Minutes
May 31, 2014

1. CALL TO ORDER AND ATTENDANCE

- a. Meeting was called to order at 8 am with the following in attendance
(Mike Knotts, Steve Seger, Tom Moore, Jim Savage, Bill Goodwin, Kenny Young)

2. NOTICE OF THE MEETING

By section 3.06 of the bylaws, notice of a Regular Meeting is not required.

3. OLD BUSINESS

- a. Approved Minutes of the May 2, 2014 Regular Meeting with the following modifications.
 - i. Resolution ID Changes to conform to Log (editorial only)
 - 1. 2014-009 will be 2014-015
 - 2. 2014-010 will be 2014-016
 - 3. 2014-011 will be 2014-017
- b. Discuss Rate Case Settlement Progress
- c. Discuss progress on Strategy List
 - i. Mr. Knotts was to continue his efforts with a goal of having a report for next Regular Meeting.
- d. Discussed Southern Environmental Law suit
- e. Communications with Customer
Mr. Seger reported that he will continue his efforts to contact Legends Ridge HOA in an attempt to communicate with them regarding the new Board of Directors.

4. NEW BUSINESS

- a. Financial Review of April 2014
Monthly Financial Statements were not presented. Deferred to next Regular Meeting.
- b. City of Franklin – Mr. Moore is communicating with the City in an attempt to reach a more equitable fee for services.
- c. Web Site Discussion
Mr. Savage has created the start of a web site that provides good general information and the ability to allow customers to apply by email for membership.
- d. Operational Report
 - i. Delinquent Account Collection efforts have been successful in reducing the at risk amount by approximately 50%.
 - ii. Conversion of Invoice Services – Conversion is complete.
 - iii. Discussion of Proposed Budget
Not possible until issues have been resolved.
 - iv. Sludge Removal and Methanol Procurement.
New options are being reviewed with the potential of reducing the cost of Sludge Removal by using a different vendor. Methanol sourcing efforts may afford an additional cost saving opportunity.

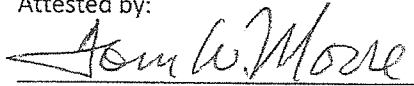
5. Adjournment

Meeting adjourned at 10:30 am. Next Regular Monthly Board Meeting will be 8:00 am, June 28, 2014 at the offices of Harpeth Wastewater Cooperative.

Berry's Chapel Utility
Board of Directors Meeting Minutes
May 31, 2014

This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. on May 31, 2014.

Attested by:



Tom W. Moore
Secretary-Treasurer

Date: June 6, 2014

Berry's Chapel Utility
Board of Directors Meeting Minutes -
June 28, 2014

1. CALL TO ORDER AND ATTENDANCE:

- a. Meeting was called to order at 8 am with the following in attendance
(Mike Knotts, Steve Seger, Tom Moore, Jim Savage, Bill Goodwin, Kenny Young)

Member in Attendance - Charles Kildgore

Additional Attendee @ 8:45 – Terry Buckner (Accounting Consultant)

Additional Attendee @ 9:00 – Tyler Ring (Utility Contractors)

2. NOTICE OF THE MEETING:

By Section 3.06 of the bylaws, notice of a Regular Meeting is not required.

3. PRESENTATION FROM MEMBER:

- a. Charles Kildgore – Mr. Kildgore presented his opinions of action he would like to see the Board take in regard to the Utility. See "Operation CLEAN SLATE: July 1, 2014" attached. A discussion of the items presented occurred with one item that required notation in the minutes, below.
- b. Page 3, Item 4:, sub item 1: "Enough said unless you want to pay \$10,000 and I will never mention this company again." The context was in relation to Mr. Kildgore's request for reimbursement of \$2,715.00 spent in his effort to achieve a Member elected Board of Director's. Verbally, some members of the Board have expressed a desire that his expenses be refunded. This has been, and remains, the intent of some Board members but will occur when the Utility is in better cash status.
- c. On questioning about the \$10,000 offer to be quiet Mr. Kildgore confirmed that it was not a flippant remark and he desired such a payment.
- d. At the conclusion of his presentation, Mr. Kildgore was excused.

4. INVITED GUEST:

Mr. Gary Blackburn provided background information to the Board regarding the process of negotiating a payoff of the approximate \$1.2 Million loan being serviced by SABAL that is in Default. No action from the discussion. At the conclusion of his presentation, Mr. Blackburn was excused.

5. OPERATIONS REPORT:

Report of Operations and activity presented by Tyler Ring (Utility Contractors).

6. OLD BUSINESS:

- a. Approve Minutes of the May 31, 2014 Regular Meeting
(Approved 5-0)
- b. Discuss progress on Strategic Actions
- c. Discuss Open Items in Rate Case

Berry's Chapel Utility
Board of Directors Meeting Minutes -
June 28, 2014

- d. Discuss Show Cause Order – No discussion held
- e. Discuss TRA required Security Deposit
- f. Discuss Emergency Reserve
- g. Approve July 1, 2014 to June 30, 2014 Cash Needs Analysis - Approved 5-0)
- h. Discuss City of Franklin Contract Issues

7. NEW BUSINESS:

- a. Financial Review – May 2014
(Approved 5-0)
- b. Financial Review – April 2014
(Approved 5-0)
- c. City of Franklin – Update on Invoice processing
- d. Operational Changes
 - i. Debt Collection Efforts – Questionable accounts Open Balance in excess of 60 days has been reduced from approximately \$26,000 to approximately \$10,000 through the collection efforts and processes implemented by staff.
- e. Resolutions Addressed:

Resolution #2014-018

TITLE: A resolution to restate balance sheet to original cost, depreciated and delete recognition of long term debt owed to John and Tyler Ring. Journal Entries are needed to accurately reflect Financial position of HWC.

ISSUE/RATIONALE:

The plant valuation performed immediately following the merger of Lynnwood and Berry's Chapel Utility improperly valued the assets of the corporation creating an unsubstantiated debt for the Membership. It is proper to remove the debt from the books and restate the financials.

FINANCIAL IMPACT:

Significant reduction in debt on the books.

SUBMITTED BY: Tom Moore

TEXT OF THE RESOLUTION:

Resolved that the Board of Directors direct Mr. Terry Buckner to enter the following accounting transactions.

Berry's Chapel Utility
Board of Directors Meeting Minutes -
June 28, 2014

JE 06-30-14

RESOLUTION # 2014-018

	<u>Account No.</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
8	270.1	Beginning Fund Balance	\$ 2,155,291.99	
9	101.1	Land		\$40,000.00
10	101.3	Pumping Equipment		390,852.54
11	101.4	Collection System		2,042,197.00
12	101.5	Lab Equipment		44.95
13	101.6	Treatment & Disposal	195,475.00	
14	101.7	Transportation Equipment	13,116.90	
15	271	Contribution in Aid of Construction		402,671.00
16	108.2	Accumulated Depreciation - S & I		141,322.00
17	108.3	Accumulated Depreciation - Pump Eq.		6,866.00
18	108.4	Accumulated Depreciation - Coll. Sys.	104,953.00	
19	108.5	Accumulated Depreciation - Lab Eq.		39,510.00
20	108.6	Accumulated Depreciation - Treat. Plt.		1,802,358.40
21	108.7	Accumulated Depreciation - Trans. Equip.		4,015.00
22	256.2	Long Term Debt - JDR	1,200,000.00	
23	256.3	Long Term Debt - TLR	1,200,000.00	
	Total		\$ 4,869,836.89	\$ 4,869,836.89

To reverse appraisal amounts per balance sheet at April 2014 to original cost and eliminate Long Term Debt to the Rings.

Motion by: Mike Knotts 2nd by Steve Seger

Approved 5-0 by Roll Call Vote

Resolution #2014-019

TITLE: A Resolution to write-off advances from Tennessee Contractors. This amount is conditioned on Tennessee Contractors receiving 23 prepaid tap fees as compensation. This action was approved by the Board of Directors in December 2013, and is reaffirmed by this Board.

ISSUE/RATIONALE:

The financial transaction involving Tennessee Contractors and Berry's Chapel Utility is a Net Positive value for the Membership. It is proper to remove the debt from the books and restate the financials.

FINANCIAL IMPACT:

Significant reduction in debt on the books.

SUBMITTED BY: Tom Moore

TEXT OF THE RESOLUTION:

Resolved that the Board of Directors direct Mr. Terry Buckner to enter the following accounting transactions.

Berry's Chapel Utility
Board of Directors Meeting Minutes -
June 28, 2014

JE 06-30-14

RESOLUTION # 2014-019

	<u>Account No.</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
32				
33	240.3	Advance from TCI	\$208,534.18	
34	796.2	Change in Accounting Estimate		\$ 208,534.18
		Total	\$208,534.18	\$208,534.18

To write-off advances from Tennessee Contractors. This amount was conditioned on the Rings receiving future tap fees from Hart's Landmark of less than \$100,000. This action was approved by the Board of Directors in December 2013.

Motion by: Bill Goodwin, 2nd by Jim Savage

Approved 5-0 by Roll Call Vote

Resolution #2014-020

TITLE: A resolution to recognize the potential liability pending an adverse ruling regarding amounts that may be due to customers as recorded in TRA Docket #11-00065.

ISSUE/RATIONALE:

It is appropriate to recognize the contingency of an adverse financial event, even though the TRA has not made a Final Order on the docket and it would be inappropriate to take action on an assumed outcome.

FINANCIAL IMPACT:

None at this time. Dependent on future events that may remove the Contingency.

SUBMITTED BY: Tom Moore

TEXT OF THE RESOLUTION:

Resolved that the Board of Directors direct Mr. Terry Buckner to enter the following accounting transactions.

Berry's Chapel Utility
Board of Directors Meeting Minutes -
June 28, 2014

JE 06-30-14

RESOLUTION # 2014-020

	<u>Account No.</u>	<u>Account Description</u>		<u>Debit</u>	<u>Credit</u>
45	796.2	Change in Accounting Estimate	\$	71,905.99	
46	240.6	Contingent Liability			\$71,905.99
		Total	\$	71,905.99	\$71,905.99

To recognize the potential liability pending and adverse ruling regarding amounts that may be due to customers as recorded in TRA Docket #11-00065.
(Per Tiffany Underwood's Direct Testimony, Schedule 1).

Motion by:, Tom Moore, 2nd by Bill Goodwin

Approved 5-0 by Roll Call Vote

Resolution #2014-021

TITLE: A resolution to adopt revised Budget FY 2014 - 15 (Based on Cash Needs Analysis).

ISSUE/RATIONALE:

To provide direction and limits to the company's outlays for the upcoming fiscal year.

FINANCIAL IMPACT:

Positive Gains in Cash Flow.

SUBMITTED BY: James Savage

TEXT OF THE RESOLUTION:

Resolved that the Board of Directors adopt the Budget FY 2014 - 15 (Based on Cash Needs Analysis) as revised during the meeting and attached. (See Attached)

Motion by:, Tom Moore, 2nd by Steve Seger

Approved 5-0 by Roll Call Vote

Resolution #2014-022

TITLE: A resolution creating a Policy regarding the maintenance/support of grinder pumps installed in future applications to meet new State Regulations.

ISSUE/RATIONALE:

State regulations have changed and now require the local Wastewater Utility to prescribe and maintain grinder pumps on all new installations.

Berry's Chapel Utility
Board of Directors Meeting Minutes -
June 28, 2014

FINANCIAL IMPACT:

Undetermined at this time. Future maintenance of the pumps will require the Utility to correct any problems. However, there currently is no funding source approved by TRA to recoup the costs. May require TRA approval of a new mechanism allow the end-user to contribute to the cost of maintaining and replacing these facilities.

SUBMITTED BY: Mike Knotts

TEXT OF THE RESOLUTION:

Language to be added to the Dunblane subdivision site plans: "All grinder pumps, service lines and appurtenances shall be installed per Berry's Chapel Utility Corporation (BCU) requirements. All grinder pumps and service line installation shall be approved and inspected by BCU prior to tying into the service box. BCU will be responsible for all repairs and maintenance of the grinder pumps and service lines once installed by the home builder and accepted for service by BCU. The home builder shall be responsible for all costs associated with the installation including the purchase of the grinder pump and all materials. Home builder shall contact the BCU for approved grinder pump and material that are acceptable for installation."

Motion by: Tom Moore, 2nd by Mike Knotts

Approved 5-0

Resolution #2014-023

TITLE: A resolution authorizing the payment of \$2715.00 to Mr. Charles Kildgore for expenses incurred in developing a campaign to elect a Member-elected Board of Directors. Payment to be made when refund is received from a refund for Tennessee Franchise and Excise Taxes.

ISSUE/RATIONALE:

Mr. Kildgore acted in good faith and to the good of all BCU Customers in marshalling support and forcing the election of members to the Board of Directors. The prior Board was not fulfilling the duties of the Board in holding elections and the actions taken by the prior Board were not in the best interest of the members.

FINANCIAL IMPACT:

\$2715.00

SUBMITTED BY: Mike Knotts

TEXT OF THE RESOLUTION:

Payment of expenses incurred by Charles Kildgore in the amount of \$2715.00 shall be made as soon as BCU receives reimbursement of Franchise and Excise fees paid to the state for years that BCU has been operating as a non-profit.

Berry's Chapel Utility
Board of Directors Meeting Minutes -
June 28, 2014

Motion by: Mike Knotts, 2nd by Bill Goodwin

Approved 5-0

8. ADJOURNMENT:

Meeting adjourned at 2:00 pm

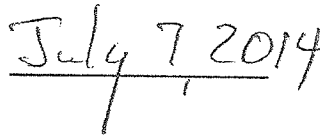
This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. at the Regular Board Meeting on June 28, 2014.

Attested by:



Tom W. Moore
Secretary-Treasurer

Date:



OK- 1/16

Operation CLEAN SLATE: July 1, 2014

Please, take the necessary actions to prove the company can run efficiently for 1 year

Reason to believe: Community based ownership with transparent leadership from board

Dramatic difference: Nonprofit motive and over communication to allow all members input

Overt benefit: Proactive planning and acceptance of future costs to provide wastewater services

Specific Actions:

\$51,000 Rate Case

1: Withdraw the current rate case: The amount gained vs the cost on attorney's fees doesn't make sense. In addition it ties you to the old regime and will have a divisive impact for your members. Use the found money as the reason and clearly state you want to present future rate increase plans to the membership for approval prior to submitting them to the TRA.

2: If you have not already done so begin advertising for a level 3 TDEC certified operator to work at the plant 20-40 hours per week. You will also need a level 1 distribution system repair contract. The money you are paying Utility Consultants would transfer to this position and it would help in cross training employees in the event one was hit by a bus.

3: Stop all legal battles and costs. Intent and action are two different things. Use the money from the refund to show good faith but request the HRWSA to sell it to the members at the annual meeting. Having valid independent monitoring can only help us help the community. Also fixing the sampling methods is very simple according to Doug Ezell.

4: Plan to operate for 1 year under the current income and TRA approved rate. Explain to the members clearly where every dollar of their \$30.00 monthly base fee goes. Ask them to approve any rate increase. DON'T TELL THEM one is on its way. Start a new set of books on July 1st 2014 that restates the balance sheet. The plant's value would be \$100,000.00 All other entries would follow standard accounting practices. There may be a notation referencing prior obligations that may or may not be paid.

5: Debt uncollectable and bankruptcy clears all prior obligations if they cannot be negotiated. Anyone who tries to collect on the deed of trust will immediately have the liability to run the plant. No one wants that. Whoever owns the property is also responsible for the environmental cost associated with dismantling the plant. In addition the TDEC Permit belongs to the utility not to the property.

6: Determine if expansion and/or other revenue sources can improve cash flow. This could include: Adding 500 members, a Solar farm, Storage or commercial workshop etc.

CK-2/6

1:

**Harpeth Wastewater Utility,
July 1, 2014-June 30 2015 proposed budget**

INCOME: Based on prior year	\$760,854.00	\$63,400.00
Less Billing and collection fees	-30,000.00	-2500.00
Total net income:	\$730,854.00	\$61725.00

Cost of Business Operations:

3 employees 90 hours per week total (all inclusive)	\$84,250.00	\$7020.00
Office rent/Electrical etc.	9,500.00	792.00
Office Supplies (telephone seems high)	20,000.00	1667.00
Insurance/Liability	3500.00	292.00
Legal and Accounting	30,000.00	2500.00
Rate Case reserve	24,000.00	2000.00
Misc. (Catch all)	7500.00	625.00
Harpeth River Watershed contribution (5 YEARS)	7500.00	625.00
Subtotal Business	\$186250.00	\$15520.00

Cost of Plant operations:

Purchased Water	6000.00	500.00
Sludge removal	48000.00	4000.00
Electricity "including other?"	60000.00	5000.00
Chemicals	36000.00	3000.00
Testing	21000.00	1750.00
Plant wages 3 employees 1 TDEC certified (all inclusive)	155,000.00	12900.00
Materials and supplies (all need to be looked at)	30,000.00	2500.00
Insurance: Facility	6000.00	500.00
Property Taxes Facility (with new rate from state)	12000.00	1000.00
Subtotal Plant operations	\$374,000.00	\$31,167.00

Replacement/repair and reserves: \$170,604.00 \$14,217.00

This is based on previous year numbers. More savings and more "tweaking" still can be done.

No interest payments: Depreciation is changed to Replacement and reserves: Lower legal fees and no paying for the prior board's mistakes. Start with a new slate July 1 knowing you have the obligation to pay for everything you did from March 13th till June 30th if you have not already done so.

If you use a percentage of each item from prior years many stand out and may be better handled in the office or at the plant instead of outsourcing. Every expense needs to be closely looked at and approved before spent.

CK-3/4/6

2: Profit and Loss Questions: Income:

Why are Refunds due customers classified as income?

Have tap fees been reconciled?

Billing and collection fees are generated from water utility collections?

Questions: Expenses:

Explain	Electricity "other"
	Systems expense
	Transportation expense
	Insurance other
	Taxes other
Review	Repairs and materials

3: Items requested by Charles E Kildgore Member.

Monthly breakdown for profit /loss January 1st 2012 – June 30th 2014

Monthly Balance sheet same period

Check register same period

Complete client list with all contact information

Complete membership list with all contact information

Copies of board minutes from March 13, 2014 – June 30th 2014

Review of TN Commerce Loan agreement and Deed of trust

4: Unique Income: Franchise Tax refund \$51,150.00

1: Charles E Kildgore	-2715.00
2: Strategic plant review	-3500.00
3: Good Faith HRWSA payment	-5000.00
4: Financial Security set aside	-20,000.00
5: Monthly operating reserves	-20,000.00

1: Enough said unless you want to pay \$10,000 and I will never mention this company again.

2: Inventory, review records and plan out preventative maintenance and replacement costs. Identify what needs to be purchased and find before needed etc.

3: Independent monitoring would benefit the company by pointing the finger toward the real culprit and show we are concerned about the river. HOWEVER, before we commit to an annual payment they have to present the plan to our members and we have to vote on it in August. This assumes plant monitoring problems have been eliminated and new TDEC operator validates process with TDEC.

4: EMERGENCY FUND to be used for major repair, bankruptcy or future expansion but meets suggested requirement by TDEC/TRA

5: Establish a "dashboard" and track each month what comes in and what goes out to improve the plant. As the amount grows funds are transferred to separate restricted reserve account that cannot be touched by note holder or creditors.

CK-4/26

BERRY'S CHAPEL UTILITY, INC
DBA: Harpeth Wastewater Cooperative
A NON PROFIT MUTUAL BENEFIT TENNESSEE CORPORATION
MEMBER OWNED

The undersigned hereby constitutes and appoints:

OF _____

a member and ratepayer of Berry's Chapel Utility, INC,

the true and lawful Proxy of the undersigned for and in the name and stead of the undersigned to vote and otherwise act with respect to the voting share of the undersigned at the annual meeting of the Members of the Utility to be held on Saturday, Augusts 23, 2014 at the Berry's Chapel Church of Christ Community Room (address) Franklin TN 37069, and any adjournment thereof, as the said Proxy may deem appropriate and proper in the sole discretion of said Proxy with regard to the proposals set forth in the announcement of the annual meeting and also, to vote upon and transact any other business that may properly come before said meeting or any adjournments thereof. I further grant all powers and rights to Proxy to conduct any business of the membership of the corporation for the period of one year. This appointment shall stay in effect until August 1st 2015 unless otherwise revoked in writing by myself.

Executed this _____ day of _____, 2014

1: _____

By: Berry's Chapel Member/Ratepayer

2: _____

Printed name

3: _____

Location of Service

4: _____

City, State, Zip Code

5: _____

Telephone:

6: _____

Email (optional)

Date Validated: _____

BY _____

Officer/Representative
Berry's Chapel Utility, INC

Business Plan for Berry's Chapel Utility

CK-6/6

2/25/2014	Future	14-0004	Difference
Income from Clients:	\$745,000.00	\$744,828.00	
Walnut Grove			

Expenses: Administrative

Business Manager*	45000.00
Customer Care (2)*	33000.00
Acct/Legal	36000.00
Office Rent	10000.00
Postage/Billing/Office Supplies	8000.00
Insurance	3500.00
Telephone/Internet	2400.00
Misc.	2400.00
Rate Case expense	1000.00
BAD Debt	500.00
Subtotal Administrative	\$141,800.00

Bur / Cash Flow

1 - Validate Income

2 - Detail Expenses

3 - Specific & Savings
and to be immediate
+ per year

4 - This item

5 - FED TAX
+ REVENUE
via TAX

DRAFT

DRAFT

Expenses: Plant Operations

Employees Plant Manager*	45000.00
Plant Operations (3)*	90000.00
Sludge Removal	48000.00
Electricity	60000.00
Chemicals	48000.00
Repairs and Maintenance	25000.00
Materials and Supplies	18000.00
Property Taxes**	10000.00
Purchased Water	9000.00
Insurance	8500.00
Engineering/Inspections	9000.00
Subtotal Plant Operations	\$370,500.00

Cap / Community

Does not include

Testing / Sample Costs

• Engineer
• Legal Expense
• Accounting
• Billing

Repair/Replacement * \$232,700.00**

*All 7 employees' figures include all payroll taxes, unemployment taxes and workers compensation. Payroll would be handled internally through QuickBooks accounting software and reported quarterly as per federal requirements

** As a true NON-Profit Member owned TN Corporation Franchise and Excise tax would not be due and the value of the plant should be lowered to \$60,000 as it has been completely depreciated.

*** The plant has no value and will have to be upgraded in the future. In lieu of depreciation and or Amortization the net cash flow will be set aside for "repair and replacement"

4b
Tyler Ring

BERRY'S CHAPEL UTILITY D/B/A/ HARPETH WASTEWATER COOPERATIVE

BOARD OF DIRECTORS MEETING

6/28/14

-Tyler Ring

REPORT FROM MANAGEMENT

1. VFD's installed now and Ready (week after 7/4/2014)
2. Sani-tech 2-3 times Annually for cleaning
3. Messco Replacing Sani-Tech in cleaning wet wells
4. Electric Pump Dry Rotted Belts to reduce odors \$1200/ftm (+300)
5. Diesel Pump GRIESE Problem
6. Labtronics Annual 3rd Party EPA test
7. Study 34 3rd Party EPA Validation of testing
8. Polymer 55 gal Drums - 18 wheeler cannot Deliver
9. LMI Pumps \$400
10. Emergencies
11. Recirculating Pump \$700
12. A/C Lab temperature Important
13. Trees
14. Littlejohn Call Large Developer East of Farmington 240 Acres
* Cost of Study before letter
15. Cotton Lane Request
* TDEC & HRWSA
16. Nutrient Management Plan \$5000 Internally TDEC Required.
17. DMR/MOR Update
18. Dublane Issue
19. Pump Tripping Issue - working on Soltn
20. Letter to Legends Ridge Home Builder
21. Sludge Cedar Ridge & Middleport (Saves Transportation Cost \$9-10,000 Annually)
22. Methanol 2 Different Source (Skid Loader) LOUISVILLE both Good 90%

(8,000)

Immediate Financial: \$100,000

CK- 5/6
Savings/CASH

A: Property tax: assessment must be reviewed in June by state:	\$10,000.00
B: Life insurance policy on John Ring/Tyler Ring dropped:	10,000.00
C: Administrative pool at office (3 employees) no benefits	\$18,000.00
D: Operating efficiencies for direct mail, communications etc.	12,000.00
E: (TAKE NOTE) Refund of Franchise and Excise taxes paid	\$51,500.00

Financial Challenges:

- A: 1.2 million dollar debt is uncollectable: Non-Profit Company never signed anything.
- B: Plant has no value and needs to be assessed at a lower rate
- C: Other than the refund of the flood charges (which is a wash) members should vote at annual meeting to not refund any other prior misdeeds by the company. Hence settling all AG/TRA problems
- D: 231,000 UCC filed by Tenn. Contractors is uncollectable: self-dealing.
- E: 2.4 million to Rings has no value.
- F: Bankruptcy clears all debt but negotiated outcome is better. Bankruptcy is last resort.
- G: Current Rate case should be dropped and current board should benefit from the act.

Plant operations:

- A: Employee data must be verified and payroll paid properly. \$4500.00 paid to Utility Consultants moved to pay for full time TDEC level 3 certified operator.
- B: Certified TDEC level 1 collections line plan must be part of new budget.
- C: Plant capacity needs to be verified as well as the cost to upgrade and cost to dismantle plant.
- D: Plant costs need to be reviewed more closely, i.e. deposits on gas cylinders etc.
- E: Plant property needs to be income source.

Membership and Communication:

- A: Set up Facebook page immediately and answer all complaints in an open forum.
- B: Ask for volunteers to help with annual meeting
- C: Form 10 person membership committee assigning 85 clients to each member
- D: Hire 10 people for \$250.00 each to contact and complete information/survey for each client
- E: Design comparative pie charts for where my \$30.00 each month goes. BC vs. HW
- F: Account for flood refund amount still due clients and when it will be completed.
- G: Set up web site and mimic HB&TS information and data distribution.
- H: Define what has been accomplished and what challenges lie ahead. Ask for help!
- I: CLEARLY STATE with personal visit to clients with an outstanding balance when water will be cut off!

Assumptions: Based on review of TRA records this \$750,000 per year business can set aside \$180,000 every year IF it is not paying any interest or accumulating any depreciation. Furthermore, if any questionable acts from previous board are discovered they can be part of the negotiation plan to have all debts released.

My Questions:

- A: When can I expect reimbursement for my expenses?
- B: Are monthly deposits for the past 12 months averaging \$63,000.00?
- C: Have the tap fees been reconciled for every lot built on since 2010?
- D: What is the current operating budget (profit and loss by month)?
- E: What has the board done to curb expenses?
- F: Please provide a current membership form, annual meeting information and proxy.

I have files and supplies that I will provide to Mike when we get together today. If anyone has any questions or wants more detail on a specific statement or request please let me know. I am only working on research when it rains right now but will get back with you quickly. Finally, every board meeting should be announced and all information should be posted on Facebook or a web site in order to help gain confidence in the transition. We may have lost some of the WOW factor and the opportunity to benefit from it but that does not mean it cannot be leveraged. Charles



June 26, 2014

Mr. Tyler Ring, President and General Manager
Berry's Chapel Utility, Inc.
106 Mission Court, Suite 203-A
Franklin, Tennessee 37067

RE: Dunblane Subdivision

Dear Tyler,

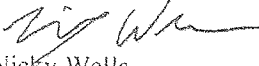
You have recently informed Turnberry Homes that the Tennessee Department of Environment and Conservation (TDEC) has not given final approval to the sewer plans for the Dunblane Subdivision. This is due to the fact that the sewer plans must state that Berry's Chapel Utility, Inc. is responsible for the maintenance of all grinder pumps proposed to be installed for this project. My understanding is that this has not previously been a requirement in the past.

Turnberry Homes agrees to allow Berry's Chapel Utility, Inc. to cover the cost of maintenance of the grinder pumps by one of the following methods:

1. A reasonable lump sum fee up front similar in nature to what other local utility districts require.
2. Berry's Chapel Utility, Inc. will be responsible for the maintenance of the grinder pumps with the understanding that each homeowner be required to reimburse for such costs at the time of repair.
3. Increase the overall sewer rates to the homeowner.

Some or all of these options likely require going through the Tennessee Regulatory Authority which may take months to work out. As you have suggested, we agree to move forward based on the above terms. Due to no fault of our own, Turnberry Homes, LLC is currently being delayed in the construction of the Dunblane Subdivision infrastructure until Berry's Chapel Utility, Inc. meets the requirements from TDEC. We strongly suggest you move forward with the State and meet their requirements so as to avoid further delay to the Dunblane Subdivision. This would require signing the updated plans with the grinder pump note that have been provided to you by our engineer Clifton and King, LLC. We then will submit back to TDEC on Monday June 30th for final approval.

Respectfully,


Nicky Wells
Director of Operations
Turnberry Homes, LLC

Turnberry Homes, LLC

210 Jamestown Park Drive
Suite 102
Brentwood, TN 37027
615-376-7001
FAX 615-376-6036
www.turnberryhomes.com

Berry's Chapel Utility
Board of Directors Meeting Minutes - Special
July 7, 2014

1. CALL TO ORDER AND ATTENDANCE:

- a. Meeting was called to order at 10:30 am with the following in attendance via conference call (Mike Knotts, Steve Seger, Tom Moore, Jim Savage, Bill Goodwin)

2. NOTICE OF THE MEETING:

All present acknowledge notice was properly presented of the meeting.

3. REVIEW PROPOSED CHANGE TO BYLAWS:

Resolution #2014-024

TITLE: A resolution establishing a quorum to meet State statutes and removing Proxy voting.

ISSUE/RATIONALE:

The Board has been directed to operate under the ideals of a Cooperative and to implement principles of a Cooperative Governance Model. Cooperatives operate under a one man, one vote democratic structure. Furthermore, it is prudent to allow for all Members to hear arguments regarding motions and resolutions prior to casting a vote. Requiring that voters be present to hear the arguments promotes a fair hearing of issues followed by an informed vote.

FINANCIAL IMPACT:

None

SUBMITTED BY: Tom Moore

TEXT OF THE RESOLUTION:

Be it resolved that the following Sections of the Bylaws be replaced with the following:

Section 2.16. Quorum. A quorum for the transaction of business at meetings of the members shall be ten percent (10%) of all members

Section 2.17. Voting Requirements. Each member shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members regardless of the number of memberships held. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Corporation, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Corporation's Charter or these Bylaws. Proxy voting is prohibited.

Motion by: Steve Seger, 2nd by Bill Goodwin

Approved 5-0

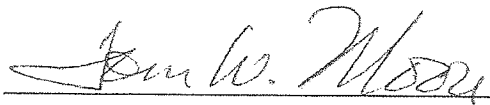
Berry's Chapel Utility
Board of Directors Meeting Minutes - Special
July 7, 2014

4. ADJOURNMENT:

Meeting adjourned at 11:00 am

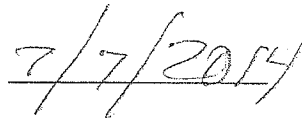
This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. at the Special Board Meeting on July 7, 2014.

Attested by:


Tom W. Moore

Secretary-Treasurer

Date:



Berry's Chapel Utility, Inc.
Resolution Log beginning 2014-03-14
Printed 7/7/2014

Resolution ID	Title	Action By	Date	Result
2014-001	A resolution instructing the New Board to conduct a Strategic Review of the company in the next 30 days.	Membership	3/13/2014	Passed
2014-002	A resolution instructing the New Board to take action to secure the assets of the corporation.	Membership	3/13/2014	Passed
2014-003	A resolution instructing the New Board to take action to amend the Charter of the Corporation and to notify State.	Membership	3/13/2014	Passed
2014-004	A resolution instructing the New Board to take action to hold Annual Meetings within a time frame.	Membership	3/13/2014	Passed
2014-005	A motion to appoint an interim President.	Board	3/13/2014	Passed 5-0
2014-006	A resolution rescinding the appointment of Mr. Charles Kildgore as interim President.	Board	3/15/2014	Passed 5-0
2014-007	A resolution directing Mike Knotts the responsibility of drafting a Joint Agreement for transfer of Board Authority to the Board elected by the membership at the March 13, 2014 Special Meeting.	Board	3/15/2014	Passed 5-0
2014-008	A resolution to change the Registered Agent for the corporation to Mike Knotts.	Board	3/15/2014	Passed 5-0
2014-009	Change the name of Berry's Chapel Utility, Inc. to "Harpeth Waste Water Cooperative"	Board	4/5/2014	Passed 5-0
2014-010	Letter of Engagement with Buerger, Mosely and Carson for services in regard to Corporate Law	Board	4/5/2014	Passed 5-0
2014-011	Board of Directors appoint Mr. Mike Knotts as President of BCU	Board	4/5/2014	Passed 5-0
2014-012	Board of Directors appoint Mr. Steve Seger as Vice-President of BCU	Board	4/5/2014	Passed 5-0
2014-013	Board of Directors appoint Mr. Tom Moore as Secretary-Treasurer of BCU	Board	4/5/2014	Passed 5-0
2014-014	Retains Reliant Bank and changes authorized signatories	Board	4/5/2014	Passed 5-0

Berry's Chapel Utility, Inc.
Resolution Log beginning 2014-03-14
Printed 7/7/2014

Resolution ID	Title	Action By	Date	Result
2014-001	A resolution instructing the New Board to conduct a Strategic Review of the company in the next 30 days.	Membership	3/13/2014	Passed
2014-015	Resolution approving March Profit and Loss Report and Balance Sheet	Board	5/2/2014	Passed 5-0
2014-016	Resolution instructing President Knotts to instruct Counsel to prepare a settlement Offer with Consumer Advocate Division	Board	5/2/2014	Passed 5-0
2014-017	Resolution to accept the Strategic Actions List	Board	5/2/2014	Passed 5-0
2014-018	To restate balance sheet to original cost, depreciated and delete recognition of long term debt owed to John and Tyler Ring, Journal Entries are needed to accurately reflect Financial position of HWC.	Board	6/28/2014	Passed 5-0 By Roll Call
2014-019	To write-off advances from Tennessee Contractors. This amount is conditioned on Tennessee Contractors receiving 23 prepaid tap fees as compensation. This action was approved by the Board of Directors in December 2013, and is reaffirmed by this Board.	Board	6/28/2014	Passed 5-0 By Roll Call
2014-020	To record the remaining amounts due to customers as recorded in TRA Docket #11-00065. (Per Tiffany Underwood's Direct Testimony, Schedule 1)	Board	6/28/2014	Passed 5-0 By Roll Call
2014-021	To adopt revised "Budget - Cash Needs Analysis" for FY 2014-2015	Board	6/28/2014	Passed 5-0 By Roll Call
2014-022	A resolution creating a Policy regarding the maintenance/support of grinder pumps installed in future applications to meet new State Regulations.	Board	6/28/2014	Passed 5-0
2014-023	A resolution authorizing the payment of \$2715.00 to Mr. Charles Kildgore for expenses incurred in developing a campaign to elect a Member-elected Board of Directors. Payment to be made when refund is received from a refund for Tennessee Franchise and Excise Taxes.	Board	6/28/2014	Passed 5-0
2014-024	A resolution revising the Bylaws to establish a Quorum at 10% of Members and to change the voting to match the Cooperative Model of one man, one vote. Proxy Voting is eliminated.	Board	7/7/2014	Passed 5-0
2014-025				

Berry's Chapel Utility, Inc.
Resolution Log beginning 2014-03-14
Printed 7/7/2014

Resolution ID	Title	Action By	Date	Result
2014-001	A resolution instructing the New Board to conduct a Strategic Review of the company in the next 30 days.	Membership	3/13/2014	Passed
2014-026				
2014-027				
2014-028				
2014-029				



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Berry's Chapel Utility, Inc.
STACY CROUCH
STE 203A
106 MISSION CT
FRANKLIN, TN 37067-6441

July 3, 2014

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

Control # : 635712 Status: Active

Filing Type: Corporation Non-Profit - Domestic

Document Receipt

Receipt # : 1567735

Filing Fee: \$20.00

Payment-Check/MO - BÜERGER, MOSELEY AND CARSON, PLC, FRANKLIN, TN

\$20.00

Amendment Type: Articles of Amendment

Image # : 7359-0504

Filed Date: 07/03/2014 2:21 PM

This will acknowledge the filing of the attached articles of amendment with an effective date as indicated above. When corresponding with this office or submitting documents for filing, please refer to the control number given above.

You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee.

Processed By: Tammy Morris


Tre Hargett
Secretary of State

FILED

ARTICLES OF AMENDMENT TO THE CHARTER
OF
BERRY'S CHAPEL UTILITY, INC.

Pursuant to the provisions of Section 48-60-105 of the Tennessee Nonprofit Corporation Act, the undersigned corporation adopts the following articles of amendment to the corporate charter of Berry's Chapel Utility, Inc.:

1. The name of the corporation is Berry's Chapel Utility, Inc. SOS Control Number 635712.
2. This amendment is to be effective when filed by the Secretary of State.
3. The following sections shall be added to the Charter:
14. The Corporation shall utilize the seven co-operative principles and definition of a co-operative, and use them as guidelines by which the Corporation shall put its values into practice.

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Co-operative principles:

1. Voluntary and Open Membership
 2. Democratic Member Control
 3. Member Economic Participation
 4. Autonomy and Independence
 5. Education, Training and Information
 6. Co-operation among Co-operatives
 7. Concern for Community
15. The Corporation held its first election of directors from within the membership on March 13, 2014, at a special called meeting of the members. All directors henceforth shall be elected by the members, either at a special or annual meeting, excepting cases of vacancies of directors in which case the bylaws of the Corporation shall describe a method of replacement until the next special or annual meeting of the members.
 4. The Amendment is to be effective when filed by the Secretary of State.
 5. The corporation is a nonprofit corporation.
 6. The amendments were duly adopted on the 13th day of March 2014, by the membership.
 7. Additional approval for the amendment (as permitted by §48-60-301 of the Tennessee Nonprofit Corporation Act) was not required.

IN WITNESS WHEREOF, the undersigned, having capacity to contract and acting as the Chairman of the board of directors under the Tennessee Nonprofit Corporation Act, Tennessee Code Annotated, §48-51-101, et seq., has amended the Charter for Berry's Chapel Utility, Inc. on this the 3rd day of July 2014.



Michael Knotts, Chairman

7353.0004, 07/03/2014, 14:23:02, Received by Tennessee Secretary of State The Honorable

Berry's Chapel Utility
Board of Directors Meeting Minutes - Special
July 15, 2014

1. CALL TO ORDER AND ATTENDANCE:

- a. Meeting was called to order at 10:00 am with the following in attendance via conference call
(Mike Knotts, Steve Seger, Tom Moore, Jim Savage, Bill Goodwin, Kenny Young, Henry Walker)

2. NOTICE OF THE MEETING:

All present acknowledge notice was properly presented of the meeting.

3. DISCUSSION AROUND LOAN HANDLED BY SABAL:

Board has become aware that the outstanding and in Default loan previously processed by Sabal has been purchased from the FDIC by an LLC controlled by the Ring family. Loan has been pledged with the assets of the facility and is presently under control of Citizen's First Bank.

Discussion around how this might affect our customers.

More information is needed. Steve Seger and Tom Moore were requested to make contact with the Loan Officer and a member of the Loan Committee in person in Bowling Green, KY at first opportunity.

No action was taken during the meeting

4. ADJOURNMENT:

Meeting adjourned at 11:30 am

This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. at the Special Board Meeting on July 15, 2014.

Attested by:



Tom W. Moore
Secretary-Treasurer

Date:

7/15/2014

Berry's Chapel Utility
Board of Directors Meeting Minutes - Special
July 28, 2014

1. CALL TO ORDER AND ATTENDANCE:

- a. Meeting was called to order at 10:00 am with the following in attendance via conference call
(Mike Knotts, Steve Seger, Tom Moore, Jim Savage, Kenny Young)

Absent: Bill Goodwin

2. NOTICE OF THE MEETING:

All present acknowledge notice was properly presented of the meeting.

3. Rate Case Settlement Offer Resolution #2014-025:

Resolved that BCU accept the Stipulation and Settlement Agreement draft dated 7/24/2014 with the Consumers Affair Division to resolve TRA Docket 14-00004. Document Attached.

Motion: Jim Savage 2nd Steve Seger
Approved 4-0 by Roll Call Vote

4. Use of Franchise Fee Refund Resolution # 2014-026:

Resolved that BCU fund the TRA Financial Security account with \$11,000 from the refund of Tennessee Franchise Fee. Account shall be in interest bearing account separate from the Operating Account. Remaining balance to be used as Operating Funds.

Motion: Mike Knotts 2nd Steve Seger
Approved 4-0

5. ADJOURNMENT:

Meeting adjourned at 10:30 am

This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. at the Special Board Meeting on July 28, 2014.

Attested by:



Tom W. Moore
Secretary-Treasurer

Date: 7/28/2014

Berry's Chapel Utility
Board of Directors Regular Meeting - Minutes
August 2, 2014

1. CALL TO ORDER AND ATTENDANCE:

- a. Meeting was called to order at 8 am with the following in attendance
(Mike Knotts, Steve Seger, Tom Moore, Jim Savage, Bill Goodwin, Kenny Young)

2. NOTICE OF THE MEETING:

By Section 3.06 of the bylaws, notice of a Regular Meeting is not required.

3. PRESENTATION FROM MEMBER:

None present

4. INVITED GUEST:

Board heard a presentation from a guest.

5. OPERATIONS REPORT:

No report

6. OLD BUSINESS:

- a. Approve Minutes of Prior Meetings.
 - i. Approve Minutes of the June 28, 2014 Regular Meeting
 - ii. Approve Minutes of the July 7, 2014 Special Meeting
 - iii. Approve Minutes of the July 15, 2014 Special Meeting
 - iv. Approve Minutes of the July 28, 2014 Special Meeting

Motion: Bill Goodwin, 2nd: Jim Savage Approved 5-0
- b. Discuss progress on Strategic Actions
 - i. Promissory Notes and Liens – Discussed next steps in Strategy.
 - ii. Sabal Loan and Liens – Discussed next steps in Strategy.
 - iii. Other items - None
- c. Discuss City of Franklin contract resolution
City is processing agreement for \$300 base fee and \$0.50 per invoice down from 7.5%. Estimated annual savings \$22,000 recurring. Avoids \$4500 conversion fee for software. No action required.

Mr. Seger left the meeting approximately 11:00 am.

7. NEW BUSINESS:

- a. Financial Review – June 2014
Motion: Mike Knotts, 2nd Bill Goodwin Approved 4-0
- b. Annual Meeting Planning Packet Review
 - i. Report on facility plans and logistics (Tom)
 - ii. Sample Cover Letter for approval (Mike)
 - iii. Official Notification (2 pages – Tom)

Berry's Chapel Utility
Board of Directors Regular Meeting - Minutes
August 2, 2014

- iv. Agenda (Tom)
- v. Special Meeting of the Members 5/13/2014 Minutes – (Tom)
- vi. Strategic Action Report – (Mike)
- vii. Board proposed Bylaw changes for Review (17 pages - Kenny)
Documents were reviewed. Motion to present as written to the Members at the meeting.
Motion: Bill Goodwin, 2nd: Jim Savage Approved 4-0
- c. Review how we will distribute the information.
 - i. Letter / Hard Copy (high cost)
 - ii. Email with attachments (lower cost)
 - iii. Web Site accessible (lowest cost)
 - iv. Updates to Web Site (Jim)
Discussion Only – No Action Required. Will have 50 paper copies on hand and documentation will be posted on the Web Site by morning of August 20, 2014
- d. Operational Changes
 - i. Debt Collection Efforts
Delinquent accounts reduced to just under \$10,000. Down from \$26,000
 - ii. Management Contract – **No action**
- e. Discuss charges for records requests and proposed Request form. – **Will continue status quo.**
- f. Other new business - **None**

8. ADJOURNMENT:

Meeting adjourned at 12:00 pm

This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. at the Regular Board Meeting on August 2, 2014.

Attested by:



Tom W. Moore
Secretary-Treasurer

Date:

8/4/2014

Berry's Chapel Utility
Special Meeting March 13, 2014

1. CALL TO ORDER AND ELECTION OF A MODERATOR:

Steve Seger called the meeting to order and requested a moderator be elected and requested that Mike Knotts be elected. Mr. Knotts was elected by acclamation of all voting.

2. OVERVIEW OF MEETING:

Mike Knotts Provided an Overview of the Meeting and communicated the procedures for addressing issues and requesting recognition. A copy of Mr. Knotts presentation is attached providing more detail.

3. ELECTION OF SECRETARY:

Mr. Knotts identified the need to record the actions of this meeting requesting that an election occur to elect a Secretary for this meeting.

Nominated: Tom Moore by Mike Knotts Second by: Jack Lester

Nominations ceased and Mr. Moore was elected by acclamation of all voting.

4. NOTICE OF THE MEETING:

Mr. Knotts stated that a petition for this meeting was delivered to Berry's Chapel offices with a request to notify all members of the corporation regarding this meeting. All members signing the petition waived their right to written notice.

Mr Knott requested any Member here tonight whose attendance is for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting has not been convened in accordance with the bylaws to identify yourself to the Secretary at this time.

No Objections

5. DETERMINATION OF A QUORUM:

Mr. Knott requested a count of the members present for this meeting. Mr. Moore indicated that there were 17 members present not counting Proxies held by members. Mr. Knott declared that the attendance met the threshold required for a Quorum at greater than 10% of the members.

Mr. Knotts asked if there were any Member that objected to proceeding.

No Objections

6. OLD BUSINESS:

Berry's Chapel Utility
Special Meeting March 13, 2014

Mr. Knotts stated the there has never been a meeting of the Membership so there is no Old Business to discuss. Asked the Members if there were any objections to proceeding.

No Objections

7. STATED PURPOSE OF THE MEETING - FIRST:

Election of Directors is the first purpose of the meeting.

Mr. Knotts described the process and opened the floor for discussion of the process.

Nominations were opened:

<u>Nominee</u>	<u>By</u>	<u>Second</u>
Mike Knotts	Charles Kildgore	David Crane
Jim Savage	David Crane	Charles Kildgore
Steve Seger	Charles Kildgore	Bill Goodwin
Bill Goodwin	Lonnie Castle	Todd Robbins
Tyler Ring	Kyle Petersen	David Crane
Tom Moore	Kyle Dunn	Bill Goodwin

Mr. Ring initially accepted the nomination. After further consideration and before a vote was taken he requested that he be removed as a candidate. The Members approved the removal by Acclamation.

Motion to Close the Nominations by David Crane, second by Charles Kildgore. Passed by Acclamation. None opposed.

Ms. Kathleen Shaw volunteered to tabulate paper ballots assisted by Mr. Lonnie Castle.

Results of the Tabulation:

Mike Knotts	66 Votes
Jim Savage	63 Votes
Steve Seger	65 Votes
Bill Goodwin	66 Votes
Tom Moore	66 Votes

8. STATED PURPOSE OF THE MEETING - SECOND:

Second purpose of the meeting was to pass resolutions:

RESOLUTION ID: 2014-001

TITLE:

Berry's Chapel Utility
Special Meeting March 13, 2014

A resolution instructing the New Board to conduct a Strategic Review of the company in the next 30 days

SUBMITTED BY: Todd Robbins Second by: Claudia Wadzinski

TEXT OF THE RESOLUTION:

See Attached Resolution labeled as **2014-001** that was distributed to the Membership.

Approved by vote of 19 for and 0 Opposed.

RESOLUTION ID: 2014-002

TITLE:

A resolution instructing the New Board to take action to secure the assets of the corporation.

SUBMITTED BY: Bill Goodwin Second by: Charles Kildgore

TEXT OF THE RESOLUTION:

See Attached Resolution labeled as **2014-002** that was distributed to the Membership.

Approved by vote of 20 for and 0 Opposed.

RESOLUTION ID: 2014-003

TITLE:

A resolution instructing the New Board to take action to amend the Charter of the Corporation and to notify State.

SUBMITTED BY: Steve Seger Second by: Bill Goodwin

TEXT OF THE RESOLUTION:

See Attached Resolution labeled as **2014-003** that was distributed to the Membership.

Approved by vote of 19 for and 0 Opposed.

RESOLUTION ID: 2014-004

TITLE:

A resolution instructing the New Board to take action to hold Annual Meetings within a time frame.

Berry's Chapel Utility
Special Meeting March 13, 2014

SUBMITTED BY: Kyle Peterson Second by: Bill Goodwin

TEXT OF THE RESOLUTION:

Resolution to instruct the Board of Directors to present an Annual Report within 90 days of the Corporations fiscal year annually to the members in written form or digitally.

Approved by vote of 20 for and 0 Opposed.

9. NEW BUSINESS:

10. ADJOURNMENT:

Motion to Adjourn by David Crane, 2nd By Lonnie Castle

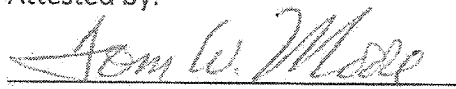
Approved by Acclamation, none opposed.

Final record of attendance and representation taken from the sign in sheets:

Members in Attendance:	21
Members represented by Proxy:	44
Non-Voting Attendees	6

This represents the actions of the Special Membership Meeting of Berry's Chapel Utility, Inc. at on March 13, 2014.

Attested by:



Tom W. Moore

Acting Secretary

Date:



Berry's Chapel Utility, Inc. – Special Called Meeting of the Members
March 13, 2014
Cottonwood Clubhouse
6:00 PM

1. Call to Order and Election of a Moderator – Steve Seger

As a Member of Berry's Chapel Utility, Inc. I hereby call this special called meeting of the members to order. Good evening, my name is Steve Seger (30 second bio).....On July 16, 2010, our sewer provider, Lynwood Utility Corporation was merged into a new company named Berry's Chapel Utility, Incorporated. Berry's Chapel was formed as non-profit corporation, and communication from the company indicated that the intent of the previous owners was to transform the company into a cooperative, and the affairs of the cooperative be managed by the members of the cooperative. Nearly four years later, the initial directors of Berry's Chapel have failed to schedule an annual meeting of the membership and have failed to schedule an election for members of the Board – despite clear direction by the bylaws to do so. This indicates a less than serious intent to operate as a member-owned and member-managed cooperatively-owned business.

Pursuant to Section 2.12 of the corporation's bylaws, a petition signed by 53 members, which is 32% of the total members of the corporation as of yesterday, March 12, was delivered to the corporation's principal office on February 20, 2014. This meets the requirements of the bylaws for the membership to meet and conduct the business for which the petition requested (10% minimum). The purpose of the meeting was stated in the petition to be: Electing a Board of Directors, passing resolutions, and conducting the business of the corporation.

In order to begin the meeting, we must elect a moderator to conduct the meeting. I would like to make a motion to elect Mr. Michael Knotts as the moderator of this meeting. He has professional experience in conducting proper meetings and utilizing parliamentary procedure. Do I hear a second to that motion? (Ask the person's name, and repeat it aloud) Is there any discussion on the motion? If not, let's move to the vote. This election can take place via voice vote. All those in favor please say "Aye." All those opposed please respond by saying "No."

In my opinion, the Aye's have it. I would like to turn the rest of the meeting over to Mr. Knotts.

2. Overview of Meeting

Thank you. This meeting will be conducted according the bylaws of Berry's Chapel Utility. Limited copies of the bylaws are available for your inspection here at the table in the front. If you would like a copy, please signify by raising your hand.

Further, in the interest of conducting tonight's business in a manner as consistent as possible with the requirements of Section 9 of the bylaws and Roberts Rules of Order, I will ask that anyone wishing to speak or make comments refrain from doing so until recognized

by the Moderator. Further, all questions shall be directed to the Moderator. So that we stay on track, discussion will be limited to the topic currently before the membership. If a member begins to speak to an issue that is not substantially related to the topic at hand, I will politely tell you that your point is out of order and when the appropriate time to address that issue may be. Then, we will move to the next person wishing to speak.

Only those persons who received and present a voting credential card that you received upon registering for tonight's meeting will be allowed to vote upon any questions, motions, or resolutions put before the membership. This is to ensure that only members of the corporation are allowed to vote. Votes may be taken by voice vote, the raising of your voting credential, or by written ballot. If any member wishes to have any vote taken by written ballot, you may indicate that desire by requesting such before the vote is called for.

A number of members who were unable to attend this evening's meeting signed proxy statements allowing another person to vote on their behalf. If you are one of the members holding a proxy vote, or multiple proxy votes, your voting credential indicates the total number of ballots you are entitled to cast and was verified at registration. At any time a vote is cast, other than a written ballot, the total number of ballots cast by persons present will be first tabulated. Then the number of votes cast by proxy will be tabulated, by recording the name of the person exercising the proxy and the number of ballots they are entitled to. The result of the vote will be totaled by adding the number of votes cast in person and the number of proxy votes exercised. It would be helpful for those holding proxies to sit at the front of the room.

I remind you that we are here tonight to conduct the business of our sewer company, and this is a serious responsibility. I will reflect the seriousness of our business by maintaining an orderly and polite discussion. Thank you in advance for your cooperation.

3. Election of a Secretary

The first order of business is to appoint a Secretary for this meeting, whose responsibility will be to accurately capture the activities that take place here tonight and to record those actions in the form of the official minutes of the meeting. I would like to make a motion to elect Mr. Tom Moore as the secretary of this meeting. Mr. Moore, would you please stand? Do I hear a second to that motion? (Ask the person's name) Is there any discussion about the motion before you? If not, let's move to the vote. This election can take place via voice vote. All those in favor please say "Aye." All those opposed please respond by saying "No."

In my opinion, the Aye's have it. Mr. Moore, would you please join me here at the front? I would also ask you to record the activities that have taken place thus far, which include a call to order by Mr. Seger, election of a moderator, and election of a Secretary.

4. Notice of the Meeting

Section 2.13 of the bylaws require that the Corporation notify the members of the corporation of any annual or special meeting of the members, providing them with the date, time, and place of the meeting. On February 20, 2014, the same day the petition for

this meeting was delivered to Berry's Chapel's offices, a request to provide notice to all members of the corporation was also delivered. The current directors of Berry's Chapel did not provide such notice, despite the fact that Section 2.12 of the bylaws clearly states the following: "it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given....."

However, every Member who signed the petition calling for this meeting waved their right to written notice of the meeting. Also, section 2.13 of the bylaws states that appearance here tonight constitutes a waiver of the required notice.

If there is any member here tonight whose attendance is for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting has not been convened in accordance with the bylaws – please identify yourself to the Secretary, Mr. Moore, at this time.

5. Determination of a Quorum

The next item of business is determining if a Quorum of members is present. Section 2.16 of the bylaws require that 5% of members be present to transact business.

I would like to note for the benefit of the membership that ascertainment of the total number of members, has been frustrated by the current management of Berry's Chapel. Berry's Chapel acknowledged on XX XX, XXXX that there were 53 members of the corporation. Some of you may have been members at that time. However, many of you signed up to become members in the past month as a part of the petition drive to call this meeting. XX membership forms were delivered in X different deliveries to the Berry's Chapel offices.

However, the current Berry's Chapel attorney indicated verbally to a member that those forms were invalid – despite the fact that they were an exact copy of a recognized form used to previously sign up a member. Out of an abundance of caution, 95 membership forms were restated and delivered yesterday. According to section 2.02 of the bylaws, these 95 persons are admitted as members.

Mr. Moore, how many members have registered for the meeting this evening? ANSWER

I hereby declare a quorum is present.

*53 members, plus 95 delivered on 3/12 = 148 total
148 X .05 = 7 members
53 x .05 = 3 members*

Before we move on, I would also like to note for the membership that one of the members of Berry's Chapel sought legal counsel to provide an opinion as to the validity of this meeting and the actions taken here. That attorney, although retained by the member individually, has agreed that his letter can be shared. Limited copies are available here at

the front of the room if you wish to review.

6. Old Business

Typically, the first item of business at a meeting such as this is the discussion of old business. Given that Berry's Chapel Utility has never held an official membership meeting, we will move on to the stated purpose of the meeting, barring any objections. Do I hear any objections to moving to the stated purpose of the meeting?

7. Stated Purposes of the Meeting - First

The first stated purpose of this meeting, as contained in the petition, is to hold an election to elect five members to the Board of Berry's Chapel Utility, Incorporated. The number of Directors is to be no less than three and no more than five, according to Section 3.02 of the bylaws.

The Board Members elected tonight will replace the Initial Directors of the Corporation, who are Mr. John Ring, Mr. Tyler Ring, and Mr. James Ford. Before I entertain nominations for individuals to serve on the Board, I would like to detail the Bylaw's requirements for serving on the Board, the general responsibilities for serving on the Board, and the requirements for the election.

First, the bylaws state in Section 3.01 that "All Directors must be natural persons, must receive sewer service from the Corporation at his residence and shall be at least eighteen years of age." The reference to "his" is a generic reference, and not intended to eliminate a woman from serving on the Board. Second, the role of the Board of Directors is stated as "All corporate powers of the Corporation shall be exercised by and under the authority of, and the affairs of the corporation shall be managed under the direction of, the Board of Directors." In addition to the what the bylaws specifically state, a Director of a cooperative-owned and member-managed company owes their loyalty, more appropriately their fiduciary duty, to the best interests of the members at large. Their duty is not to themselves or any specific person or group, but to all the members and ratepayers of the utility at large.

As to how the election is to be conducted, the bylaws only state that the Directors are elected at a meeting of the members. Section 2.17 states each member is entitled to only one vote, and all questions shall be decided by a majority of the members voting on that question.

Therefore, it is the intent of the moderator to first solicit nominations for members to stand for election. Each nomination will require a motion and a second. Names of nominated members will be posted in the front of the room. Members will then vote to cease nominations. At that time, each potential candidate will be recognized for no more than three minutes of comments to the membership, if they so choose to exercise that option. Then, a written ballot will be distributed to all members who possess a voting credential. Upon each ballot, a member may vote for up to five persons for election to the Board of Directors by writing their name on the ballot. Ballots will be turned into the Secretary of this meeting, who will tabulate the total number of votes cast for each nominee. Should the

Secretary be a candidate for the Board, the Moderator will ask another person present to count the ballots, and attest to their calculations in writing. Ballots cast will be retained with the corporate records. Those five persons receiving the most total votes will be elected to the Board of Directors.

Hearing that explanation, I will now open the floor to discussion of the process.

- Does any member wish to discuss the requirements for serving on the Board?
- Does any member wish to discuss the responsibilities of serving as a Board Member?
- Does any member wish to discuss the method of the election?
- Is there any other discussion before we move to conducting the election?

I now open the floor for nominations for the office of Director of Berry's Chapel Utility, Inc.
receive motions and seconds, repeat each motion and second including names

Has every member had the opportunity to nominate candidates for the Board?

Hearing no more nominations, let us move to the vote. Please raise your credential only one time. All those in favor of ceasing nominations please raise your voting credentials now. Mr. Secretary, please record the number of persons present voting in favor of ceasing nominations, then record the number of votes cast by those holding proxies. All those opposed to ceasing nominations, please raise your voting credentials now.

Nominations have now ceased. We will now allow comments from the candidates, and I will recognize each in alphabetical order.

recognize each candidate, limit comments to three minutes

You have had the opportunity to hear from the candidates. Does any member have questions about the vote? If not, we will proceed to the election of directors. Mr. Moore, will you please distribute one ballot to each member in possession of a voting credential?

assist in passing out ballots

Does every member holding a voting credential have a ballot?

allow several minutes for members to write their votes

Upon completion of your ballot, please bring it forward and deliver to the Secretary for him to begin tabulating the results. We will stay here until the votes are counted and the results will be announced by the Secretary.

Mr. Secretary, have you completed counting the ballots? Please announce the results, telling the members how many votes each candidate has received.

Secretary announces results

This completes the election of directors.

8. Second Stated Purpose

The second stated purpose of this meeting, as stated on the petition to hold this meeting, is to pass resolutions. I open the floor to the membership for any potential resolutions.

For each resolution, open the floor for discussion, moderate discussion, and conduct voice vote

Potential Resolutions.....

RESOLUTION #1 – The members hereby authorize the Board of Directors to take whatever actions are lawful and appropriate to secure the assets of the corporation and change the corporate documents to reflect the election of directors.

RESOLUTION #2 – It is the intent of the membership of Berry's Chapel Utility, Inc. to instruct the newly elected Board of Directors to conduct a strategic review of the operations of the company over the next 30 days. This review should include a review of the company bylaws, an inventory of all of the assets and liabilities of the company, an inspection of all contracts and agreements entered into by the previous management, and an evaluation of the operational efficiency of the company. Upon completion of this review, a written summary of all actions taken and any actions required by the members will be communicated to all members of the corporation.

9. New Business

10. Adjournment

With no further business, I will entertain a motion to adjourn. Before we adjourn, I would like to inform you that the newly elected Board of Directors will meet for an organizational meeting immediately following this meeting. Any member is welcome to stay and observe, however the actions taken at the Board meeting are reserved to the directors. Also, I want to personally thank you for taking the time out of your busy schedules to attend this meeting, and exercise your rights as a member-owner of Berry's Chapel Utility.

Do I have motion to adjourn? (*Repeat name of person making motion*) Do I have a second? (*Repeat name of person making second*) All in favor of adjourning this meeting, say "Aye." All opposed, say "No." This meeting is now adjourned. Thank you for attending and for your participation.

2014-001

RESOLUTION

~~#1~~ by Ted Robbins

WHEREAS, the members of Berry's Chapel Utility, Inc., so gathered in a specially called meeting on March 13, 2014, desire for the utility to respond to our wishes,

BE IT SO RESOLVED, It is the intent of the membership of Berry's Chapel Utility, Inc. to instruct the newly elected Board of Directors to conduct a strategic review of the operations of the company over the next 30 days. This review should include a review of the company bylaws, an inventory of all of the assets and liabilities of the company, an inspection of all contracts and agreements entered into by the previous management, and an evaluation of the operational efficiency of the company. Upon completion of this review, a written summary of all actions taken and any actions required by the members will be communicated to all members of the corporation.

Second by: Claudia Wadzinski

Discussion -

Vote by Carol ~~18~~ 19 in Favor
0 Opposed.

RESOLUTION

~~#2~~ 2014-002
by Bill Godwin

WHEREAS, the members of Berry's Chapel Utility, Inc., so gathered in a specially called meeting on March 13, 2014, desire for the utility to respond to our wishes,

BE IT SO RESOLVED, that the members hereby authorize the Board of Directors to take whatever actions are lawful and appropriate to secure the assets of the corporation and change the corporate documents to reflect the election of directors.

2nd Charles Kildgore

Disc - Won

Votes by ~~Pat~~ Paddle

20 in favor

0 opposed

Passed.

2014-003
~~\$\$\$~~ by Steve Seger
RESOLUTION

WHEREAS, the members of Berry's Chapel Utility, Inc., so gathered in a specially called meeting on March 13, 2014, desire for the utility to respond to our wishes,

BE IT SO RESOLVED, that the members hereby instruct the Board of Directors to amend the Charter of the Corporation, filed with the State of Tennessee, to reflect a new registered agent. That person shall be a person whom the Board of Directors shall select, and shall entrust with the responsibility of serving as the registered agent.

FURTHER BE IT SO RESOLVED, the Board of Directors is empowered to add the following additional item to the Charter:

XX (Insert proper numbering here). The corporation shall be operated at all times in a manner consistent with the principles embodied by a member-owned cooperative, which were adopted by the International Cooperative Alliance in 1995. These principles include: voluntary and open membership, democratic member control, members economic participation, autonomy and independence, education, training, and information, cooperation among cooperatives, and concern for community.

FURTHER BE IT SO RESOLVED, the Board of Directors is empowered to add the following additional item to the Charter:

XX (Insert proper numbering here). The corporation held its first election of directors from within the membership on March 13, 2014 at special called meeting of the members. All directors henceforth shall be elected by the members, either at a special or annual meeting, excepting cases of vacancies of directors in which case the bylaws of the corporation shall describe a method of replacement until the next special or annual meeting of the members.

Printed Copy Distributed
Discussion - none

Vote For 19
Oppose 0

2nd By Bill Goodman



Cooperatives around the world generally operate according to the same core principles and values, adopted by the International Co-operative Alliance (<http://www.ica.coop/ai-ica/>) in 1995. Cooperatives trace the roots of these principles to the first modern cooperative founded in Rochdale, England in 1844.

1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members—those who buy the goods or use the services of the cooperative—who actively participate in setting policies and making decisions.

3. Members' Economic Participation

Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.

4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.

5. Education, Training and Information

Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.

6. Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of communities through policies and programs accepted by the members.

Harpeth Wastewater Cooperative
Annual Meeting of the Members - Minutes
Berry's Chapel Church of Christ 10:00 am
August 23, 2014

1. CALL TO ORDER

Meeting was called to Order at 10:10 am by Chairman Knotts.

2. NOTICE OF THE MEETING

Secretary Moore certified that official notification of the meeting was delivered to each member by postage pre-paid in the US Mail on August 8, 2014.

3. DETERMINATION OF A QUORUM

As of August 22, 2014 @ 5:00 pm there were 265 members of the corporation. State law requires 10% of members present to constitute a quorum. At the start of the meeting 39 members had registered meeting the requirements of a quorum.

Mr. Moore declared the presence of a quorum

4. OLD BUSINESS:

a) Approve Minutes of March 13, 2014 Special Meeting of the Members
Motion by: Shannon Hickman 2nd by: Claire Cook
Approved by Acclamation

b) Report of Strategic Review
Mr. Knotts presented a report of the Strategic Review

5. NEW BUSINESS:

a) Financial Report
Mr. Savage presented the Financial Report.

b) Review and Discussion of Proposed Charter Changes

2014- Change Charter to add: All persons who receive service from the
031 company shall be considered members and have the right to vote
on any matter coming before the members. (Submitted by:
Charles Kildgore)

Motion was made to table the proposal until wording providing
for an "Opt-Out" was included.

Motion by: Shannon Hickman 2nd by: Max Hixon

Approved by Acclamation

Proposal was Tabled

c) Review and Discussion of Proposed Bylaw Changes

Harpeth Wastewater Cooperative
Annual Meeting of the Members - Minutes
Berry's Chapel Church of Christ 10:00 am
August 23, 2014

2014-028 Proposed changes to the Bylaws supporting Cooperative Principles and conforming to requirements of State Law
(Submitted by: Board of Directors)
Motion by: Shannon Hickman 2nd by: Bob Grummon
Approved by Acclamation
Proposal Passes

2014-030 Bylaw change Proposal to establish Proxy Voting (Charles Kildgore)

(a) First half of the resolution regarding Proxy Voting was separated for discussion.

Motion to Table By: Dwayne Hasting 2nd by: James Smith
Vote for Tabling 32 Against 8
Proposal Tabled

Members wished to record a desire for limited Proxy Voting to be considered at a future meeting.

(b) Change to Section 10: regarding Member Oversight.

Motion by: Shannon Hickman 2nd by: Max Hixson
Vote For: 7 Opposed 34
Proposal Fails

d) Review and Discussion of Resolutions

2014-029 Resolution supporting Board to proceed with Civil Lawsuit and authorizing expenses as deemed appropriate by the Board
(Submitted by: Tom Moore)

Motion by: Charles Kildgore 2nd by: Jim Southerland
Approved by Acclamation

2014-032 A Resolution Delaying action on implementation of Cooperative Principles and establishing a task force. (Submitted by: Charles Kildgore)

Motion by: Charles Kildgore 2nd by: Steven Clinton
Vote For: 3 Opposed: 34
Resolution Fails

2014-033 Certified Operator(s) hired to work at the wastewater treatment plant and collection system. (Submitted by: Doug Ezell)

Harpeth Wastewater Cooperative
Annual Meeting of the Members - Minutes
Berry's Chapel Church of Christ 10:00 am
August 23, 2014

Motion by: Tom Moore 2nd by: Andy Zim
Vote For: 6 Opposed: 32
Resolution Fails

6. ELECTION OF DIRECTORS:

- a. Group 1 – 2 members for 1 year term

Nominations:

Steve Seger

Bill Goodwin

- b. Group 2 – 2 members for 2 year term

Nominations

Mike Knotts

Tom Moore

- c. Group 3 – 1 member for 3 Year Term

Nominations

Jim Savage

Mr. Charles Kildgore moved that nominations cease 2nd by Henry Rodriguez

Motion to Elect Board Members by: Steven Clinton 2nd by Todd Robbins
All Unopposed Board Members elected by Acclamation.

7. MEMBER QUESTIONS AND COMMENTS

- Currently members with Pools are charged based on water usage that is not processed by Harpeth Wastewater Cooperative. Changes would require analysis to determine how to accommodate not charging for pool water.
- Questions regarding the presence of Sales Tax on City of Franklin bills. Is sales tax being charged for the sewer services?
- Request was made to investigate how electronic voting could be used.
- Request was made to investigate how electronic member meetings might occur.
- Open request to revisit Proxy voting to allow for limited proxy voting that would allow members that cannot attend to Vote and still insure that members are informed and hear arguments on issues.

8. ADJOURNMENT

Harpeth Wastewater Cooperative
Annual Meeting of the Members - Minutes
Berry's Chapel Church of Christ 10:00 am
August 23, 2014

Meeting Adjourned approximately 12:20 pm



Harpeth Wastewater Cooperative

Strategic Action Report

August 4, 2014



Since assuming control of the Utility, the Board of Directors have taken a number of actions based on the resolution(s) of the members, passed at the March 13, 2014 special meeting, which required a strategic review of the company. The Board has:

- Reviewed all corporate documents, contracts, agreements
- Analyzed all company indebtedness
- Analyzed the operational efficiency of the company
- Enlisted opinions of multiple third-parties involved in all aspects of the company's operations
- Amended the corporate charter and by-laws to reflect a member-elected, cooperative governance structure (additional actions required by the members at August 23, 2014 annual meeting)



After completing this strategic review of the company, the Board reached several conclusions about the future direction of the company and has developed a strategic plan to guide the company over the next 12-18 months. We concluded that:

- The utility is operationally sound – meaning the collection system and treatment plant are functioning acceptably for the time being, although both are old and will eventually need significant investment for continued operations.
- Financially, the company is very weak. While there is enough cash flow to fund current operations, there is no ability to respond to a large capital expenditure such as equipment failure, break in underground sewer lines, or fund other modernization projects.
- The company's lack of economy of scale makes low cost-per-customer operation difficult.
- The previous owners of the company created a complex web of debts and other liabilities that need to be "unwound." This process is complex, lengthy, and potentially very expensive due to legal costs.

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Strategic Plan



1. Finalize/Settle the Rate Case at TRA
2. Elimination of Promissory Notes
3. Restatement of Financials
4. Re-structuring of Long-term Debt
5. Operational Restructuring
6. Resolve Potential Environmental Lawsuit
7. Improve Communications/Annual Meeting

Items are prioritized based upon the need for one to be completed so that the next item may be more readily completed, but actions for each are being taken concurrently whenever possible.

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HARPETH WASTEWATER COOPERATIVE

Financial Report (Unaudited)

Income Statement

FY 2013 - 2014

Revenue	\$	765,505
Expenses:		
Water		5,847
Sludge Removal		47,129
Electricity		58,775
Chemicals		46,054
Office Supplies		22,713
Professional, Engineering and Administration		273,503
Operations		159,884
Total Operating Expenses		613,904
Depreciation		188,848
Asset Recovery Reserve		-
Regulatory Expenses		208,498
Interest		95,955
Taxes - Property and Other Taxes		38,728
Other Expenses (Credits)		(194,801)
Total Expenses		951,133
Net Income (Loss)	\$	(185,627)

Budget

FY 2014 - 2015

	\$	775,975
		7,617
		45,277
		58,879
		42,564
		26,825
		236,564
		185,657
		603,383
		-
		51,120
		37,226
		-
		35,856
		-
		727,585
	\$	48,390

Balance Sheet

30-Jun-14

Assets		
Current Assets	\$	98,950
Fixed Assets		752,330
Other Assets		157,801
Total Assets	\$	1,009,281
Liabilities and Equity		
Current Liabilities		1,172,597
Long-Term Liabilities		1,458,707
Total Liabilities		2,631,305
Equity		(1,622,024)
Total Liabilities and Equity	\$	1,009,281

Charter Change _ 2014-031_____

Title

ALL persons who receive service from the company shall be considered members and have the right to vote on any matter coming before the members.

Submitted by:

Charles Kildgore 8/15/2014

Issue / Rationale:

What helps one of us helps all of us, what hurts one of us hurts all of us. The only threshold for membership is that you receive service and pay your bill. There is no financial obligation, no requirement of membership no expectation except the right to vote. It is similar to being a US Citizen but choosing not to vote. The effort of our volunteer board is to benefit all of us. While that may not have been the case in the past it is now and we simply all are in this boat together.

Text of the Resolution:

Whereas, All Patrons, Ratepayers and Members are required to receive service and to pay their bills and whereas there is no other barrier to entry in the non-profit company

BE IT SO RESOLVED that the Charter section 8 shall be changed to:

Corporation Members shall consist of any ratepayer who has requested and receives service from Berry's Chapel Utility, INC DBA Harpeth Wastewater Cooperative.

2: Be It So Resolved: The Corporation shall always be a Mutual Benefit Company unless Members vote to form a true cooperative under the law.

3: Be it further resolved the board has the authority to change any other reference to membership in the bylaws as it conflicts with this new charter amendment.

ACTION: (For HWC Staff Use)

By MEMBERSHIP

Date of Action: _____

Votes For: _____

Votes Against: _____

Resolution: _____

Passes / Fails

Harpeth Wastewater Cooperative
Member Proposed Change Request

RESOLUTION: 2014-028 (For HWC Staff Use)

Check One: Bylaw Change X Charter Change _____ Resolution _____

TITLE:

Board submitted changes to the Bylaws supporting Cooperative Principles and bringing in line with State Law

ISSUE/RATIONALE:

Bylaws should reflect State Law and improvements are needed to insure informed membership and controls in place to support the corporation for the benefit of the customers.

FINANCIAL IMPACT:

None

SUBMITTED BY: Board of Directors **Date:** 8/18/2014

TEXT OF THE RESOLUTION:

See Attached Complete replacement of current Bylaws.

ACTION: (For HWC Staff Use)

By MEMBERSHIP Date of Action: _____

Votes For: _____ Votes Against: _____

Resolution: Passes / Fails

**BYLAWS
OF
BERRY'S CHAPEL UTILITY, INC.**

These Bylaws shall regulate the affairs of the Corporation, subject to the provisions of the Corporation's Charter and any applicable provisions of the Tennessee Nonprofit Corporation Act, *T.C.A. § 48-51-101, et seq.* (the "Act").

The purpose of the Corporation is to furnish wastewater treatment service to all areas of its service area in Williamson County, Tennessee. It is the purpose of the Corporation to be a member-owned Tennessee nonprofit corporation, owned by its member and managed by a board of directors which shall have the power to establish the rates, terms, and conditions under which the Corporation will provide public utility service to the service area. It is the further purpose of the Corporation to be a cooperative public utility association exempt from federal income taxes under Internal Revenue Code, Section 501(c)(12)(A).

SECTION 1 - OFFICES AND REGISTERED AGENT

Section 1.01. Registered Office The Corporation shall designate and continuously maintain a registered office in the State of Tennessee.

Section 1.02. Principal Office The principal office of the Corporation shall be that which is designated as such in its Charter.

Section 1.03. Other Offices. The Corporation may also have other offices within and without the State of Tennessee at such places as the Board of Directors may from time to time determine.

Section 1.04. Registered Agent. The Corporation shall designate and continuously maintain a registered agent in the State of Tennessee at its registered office.

SECTION 2 - MEMBERS

Section 2.01. Eligibility. Any natural person, firm, association, corporation, cooperative, business trust, partnership, federal, state or local government, or departments, agencies or any other political subdivision thereof (each hereinafter referred to as "person," "applicant," "him" or "his") that receives sewer service from Berry's Chapel Utility, Inc. (hereinafter called the "Corporation") at one or more premises owned or directly occupied or used by the person is eligible to become a member of the Corporation. All Members must be customers of the Corporation. This membership requirement shall not apply to a person or entity that holds an interest in property solely as security for the performance of an obligation or that only builds on or develops the property for sale to others and seeks only temporary service or other persons exempt from membership by statute and/or court or state agency decision. Every person (which includes any legal entity) owning or having a legal right to the control, possession or occupancy of property served or which may reasonably be served by the Corporation, shall have the right to become a member of the Corporation upon payment of and compliance with the Corporation's conditions of water and/or sewer service as provided for in its published charges, rates and conditions of service. Membership shall

not be denied because of the applicant's race, color, creed, citizenship or national origin. It is the intent of the Corporation to provide service on a non-discriminatory basis to all persons desiring service to the extent that the capabilities of the system reasonably permit.

Section 2.02. Admission of Members. An eligible person shall become a member upon completing and executing an application for membership and delivering it to the Corporation.

Section 2.03. Rights and Obligations. Except as set forth in Section 2.04, each member shall have one (1) vote and shall have the same rights and obligations with respect to voting, dissolution, redemption, transfer and all other matters as all other members.

Section 2.04. Joint Membership. A husband and wife, by specifically so requesting in writing, may be accepted into joint membership or, if one of them is already a member, may automatically convert such membership into a joint membership. The words "member," "applicant," "person," "his," and "him," as used in these Bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing:

- (a) the presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting;
- (b) the vote of either or both shall constitute, respectively, one joint vote; provided, if both be present but in disagreement on such vote, each shall cast only one-half (1/2) vote;
- (c) notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice; and
- (d) suspension or termination in any manner of either shall constitute suspension or termination of the joint membership.

Section 2.05. Excess Payments to be Credited as Member-Furnished Capital. All amounts paid for sewer service in excess of the cost thereof shall be treated as member-furnished capital as provided in Section 7 of these Bylaws.

Section 2.06. Resignation. A member may resign at any time by delivering to the Secretary of the Corporation a written notice of such resignation signed by the member which shall be included in the corporate records. A resignation shall not be effective before the date and time the Secretary actually receives written notice of it. A person's membership shall be terminated upon his death, except as provided in Section 2.09.

Section 2.07. Termination by Withdrawal. A member may withdraw from membership upon such generally applicable conditions as the Board of Directors shall prescribe and upon either (a) ceasing to (or, with the approval of the Board of Directors resigning his membership in favor of a new applicant who also shall) own or directly occupy or use all premises being furnished sewer service, or (b) totally and permanently abandoning the use of sewer service on such premises.

Section 2.08 Expulsion or Suspension. A member may be expelled or suspended by the Board of Directors, but notice and an opportunity to be heard shall first be given to the member as set forth below, and the expulsion or suspension procedure shall be fair, reasonable and carried out in good faith:

- (a) The member shall be given not less than fifteen (15) days' prior written notice of the expulsion or

suspension, and the reason(s) therefor; and

- (b) The member must be given the opportunity to be heard, orally or in writing, by the Board of Directors not less- than five (5) days before the effective date of the expulsion or suspension.

For purposes of this Section 2.08 only, any written notice given by mail shall be sent postage prepaid by first class United States mail or by certified United States mail, return receipt requested, and sent to the last address of the member shown on the Corporation's records.

Section 2.09. Effect of Death, Legal Separation or Divorce Upon a Joint Membership. Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint; Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint.

Section 2.10. Transfers and Encumbrances. No member shall transfer, by operation of law or otherwise, or encumber in any way his membership or any right arising therefrom.

Section 2.11. Annual Meeting. The annual meeting of the members of the Corporation shall be held at such date, time and place as fixed by the Board of Directors. At the annual meeting, the members shall elect Directors, receive reports on the activities and financial condition of the Corporation, and transact such other business as may properly come before the meeting.

Section 2.12. Special Meetings. A special meeting of the members may be called by the Board of Directors, by that number of directors that is one (1) less than a majority of the directors in office, or by a petition signed by no fewer than ten (10%) percent of the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 2.13. The notice of a special meeting shall include the purpose or purposes of the meeting.

Section 2.13. Notice of Meetings.

- (a) The Corporation shall notify its members of the date, time and place of each annual and special meeting of members no fewer than ten (10), nor more than forty-five (45) days before the meeting date. Notice of a meeting shall be by mail (and, in the case of a special meeting, at the direction of those calling the meeting). Any such notice may be included with member service billings or as an integral part of the Corporation's monthly publication. Such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Corporation, with postage thereon prepaid and mailed not later than or earlier than the required days prior to the meeting date.
- (b) The incidental and non-intended failure of any member to receive such notice shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection. Appearance at meeting is waiver of notice.

Section 2.16. Quorum. A quorum for the transaction of business at meetings of the members shall be ten percent (10%) of all members, and all members voting by mail shall count towards the meeting quorum.

Section 2.17. Voting Requirements.

- (a) Each member shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members regardless of the number of memberships held. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Corporation, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote.
- (b) At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Corporation's Charter or these Bylaws.
- (c) Proxy voting is prohibited.
- (d) No member shall be eligible to participate in any vote of the membership if that member has an outstanding utility account balance owed to the Corporation for utility services rendered, or authorized fees if said debt has been delinquent for a period of not less than sixty (60) days prior to the date of such election or vote.
- (e) For the purpose of determining members entitled to notice of or to vote at any meeting of members or any adjournment thereof or in order to make a determination of members for any other proper purpose, ownership of memberships shall be deemed to be vested in those persons who are the record owners of memberships as evidenced by the membership transfer book on the fifteenth (15th) day of the month preceding the month of the date upon which the required action requiring such determination is to be taken.

Section 2.18. Action by Written Ballot. Any action that may be taken at any annual or special meeting of members may be taken without a meeting if the Corporation delivers a written ballot to every member entitled to vote on the matter. The written ballot shall set forth each proposed action and shall provide an opportunity to vote for, or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall:

- (a) Indicate the number of responses needed to meet the quorum requirements;
- (b) State the percentage of approvals necessary to approve each matter other than election of Directors; and
- (c) Specify the time by which the ballot must be received by the Corporation in order to be counted.

Section 2.19. Voting List. The officer or agent having charge of the membership books for the memberships of the Corporation shall make, at least ten (10) days before each meeting of members, a complete list of the members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of memberships held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any member at any time during usual business hours.

Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting. The original membership books shall be evidence as to who are the members entitled to examine such list or books or to vote at any meeting of members.

SECTION 3 - BOARD OF DIRECTORS

Section 3.01. General Powers and Qualifications. All corporate powers of the Corporation shall be exercised by and under the authority of, and the affairs of the Corporation shall be managed under the direction of, the Board of Directors. All Directors must be natural persons, must receive sewer service from the Corporation at his residence and shall be at least eighteen (18) years of age.

Section 3.02. Number of Directors. The Board of Directors shall be comprised of five (5) Directors, but these Bylaws may be amended from time to time to increase or decrease the number of Directors within the limits provided by law, although at no time shall there be fewer than three (3) Directors.

Section 3.03. Election and Tenure. Directors shall be elected by the members at each annual meeting of the members, and each Director shall be elected to serve for a term of ~~one (1) year~~ three (3) years, or until his or her successor is elected and qualifies; subject, however, to the removal of any Director by the members as provided in these Bylaws. There shall be three (3) classes of directors of as near equal number as reasonably possible. The classes shall be such that one-third of the directors shall stand for election in year one. The second one-third shall stand for election in the following year. The remaining one-third shall stand for election in the third year. The three Directors serving on the Corporation's Board of Directors on the effective date of these bylaws shall continue to serve until the first annual meeting of the members. Nominations for members to serve on the Board of Directors shall be submitted to the Corporation before or at no later than fifteen days prior to the annual meeting.

At the first election of Directors, the same shall be elected for staggered terms. GROUP 1 – STEVE SEGAR, and BILL GOODWIN shall be elected for a one-year term, GROUP 2 – TOM MOORE and MIKE KNOTTS shall be elected for a two-year term and GROUP 3 – JIM SAVAGE shall be elected for a three-year term. Thereafter Directors shall be elected for three (3) year terms.

	<u>Initial Term Begins</u>	<u>Initial Term Expires</u>	<u>Begin 3 Year Term</u>	<u>End First Full 3 Year Term</u>	<u>Begin Second Full 3 Year Term</u>
GROUP 1	8/2014	8/2015	8/2015	8/2018	8/2021
GROUP 2	8/2014	8/2016	8/2016	8/2019	8/2022
GROUP 3	8/2014	8/2017	8/2017	8/2020	8/2023

Section 3.04. Regular Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice at such time and place as the Board of Directors shall determine from time to time, but no less frequently than once a year.

Section 3.05. Special Meetings. Special meetings of the Board of Directors may be called by the President or by any two (2) Directors.

Section 3.06. Notice of Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Except as otherwise provided herein, special meetings of the Board of Directors must be preceded by at least two

(2) days' notice to each Director of the date, time and place, but not the purpose, of such special meeting. Notice of any adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken, and if the period of adjournment does not exceed one (1) month in any one (1) adjournment.

Section 3.07. Waiver of Notice. If a Director attends or participates in a meeting, he waives any required notice to him of the meeting unless the Director at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 3.08. Quorum and Voting. A quorum of the Board of Directors consists of a majority (but no fewer than ~~two (2)~~three (3)) of the Directors then in office before a meeting begins. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board of Directors, unless these Bylaws, the Charter or the Act require the vote of a greater number of Directors. Each director shall be entitled to one (1) vote upon any matter properly submitted for vote to the Board of Directors.

Section 3.09. Vacancy. If a vacancy occurs on the Board of Directors during the term of a Director, the vacancy shall be filled by the affirmative vote of the remaining Directors. until the next annual member meeting. A director elected to fill a vacancy shall serve for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at the next annual meeting or at a special meeting of members called for that purpose.

Section 3.10. Removal or Resignation of Directors.

(a) Removal. The members may remove any one (1) or more Directors, with or without cause, at any special meeting that is specifically called for that purpose. If a director is absent from three (3) or more consecutive regular meetings of which the director was sent via electronic mail or United States mail written notice, the director may be automatically removed at the discretion of the Chairman.

~~(a)(b)~~ Resignation. A director may resign at any time during his term.

Section 3.11. Action Without Meeting. Action that is required or permitted to be taken at a meeting of the Board of Directors may be taken without such a meeting if all Directors consent to taking such action without a meeting. If all Directors so consent, the affirmative vote of the number of Directors that would be necessary to authorize or take such action at a meeting shall be the act of the Board, except as otherwise provided in these Bylaws. Such consent shall describe the action taken, be in writing, be signed by each Director entitled to vote, indicate each signing Director's vote or abstention on the action, and be delivered to the Secretary of the Corporation and included in the minutes filed with the corporate records.

Section 3.12. Indemnification. With respect to claims or liabilities arising out of service as a Director of the Corporation, the Corporation shall indemnify and advance expenses to each present and future Director (and his or her estate, heirs, and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

Section 3.13. Immunity. To the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended, each present and future Director (and his or her estate, heirs, and personal representatives) shall be immune from suit arising from the conduct of the affairs of the Corporation.

Section 3.14. Qualifications for Election or Appointment as Director.

- (a) To be qualified for election or appointment as a director, a person must be:
 - (1) 18 years of age or older on the first day of the term to be filled at the election or on the date of appointment, as applicable; and
 - (2) a member of the corporation.
- (b) In addition to the qualifications prescribed by Subsection (a), a person is not qualified to serve as a director if the person:
 - (1) has been determined by a final judgment of a court exercising probate jurisdiction to be:
 - (A) totally mentally incapacitated; or
 - (B) partially mentally incapacitated without the right to vote; or
 - (2) has been finally convicted of a felony from which the person has not been pardoned or otherwise released from the resulting disabilities.
- (c) If the board determines that a person serving as a director does not have the qualifications prescribed by Subsections (a) and (b), the board shall, not later than the 60th day after the date the board makes that determination, remove the director and fill the vacancy by appointing a person who has the qualifications prescribed by those subsections.

Section 3.15. Ballot Application for all member elections.

- (a) To be listed on the ballot as a candidate for a director's position, a person must file an application with the corporation that includes:
 - (1) the director's position sought, including any position number or other distinguishing number;
 - (2) a petition signed by ten (10) members, requesting that the person's name be placed on the ballot as a candidate for that position;
 - (3) the person's written consent to serve, if elected;
 - (4) biographical information about the person; and
 - (5) a statement of the person's qualifications.
- (b) The application must be filed with the corporation not later than the 45th day before the date of the annual meeting.
- (c) The corporation shall make available director candidate application forms at the corporation's main office and shall provide application forms by mail or electronically on request.

Section 3.16. Ballot for all member elections.

- (a) Not later than the 30th day before the date of an annual meeting, the corporation shall mail to each member of record:
 - (1) written notice of the meeting;
 - (2) the election ballot; and

(3) a statement of each candidate's qualifications, including biographical information as provided in each candidate's application.

(b) The election ballot must include:

- (1) the number of directors to be elected; and
- (2) the names of the candidates for each position.

Section 3.17. Election procedures for all member elections.

(a) A member may vote:

- (1) in person at the annual meeting;
- (2) by mailing a completed ballot to the office of the independent election auditor or to the corporation's main office, which ballot must be received by the corporation not later than noon on the business day before the date of the annual meeting; or
- (3) by delivering a completed ballot to the office of the independent election auditor or to the corporation's main office not later than noon on the business day before the date of the annual meeting.

(b) The independent election auditor, appointed by majority vote of the Board of Directors, shall receive and count the ballots before the annual meeting is adjourned.

(c) For each director's position, the candidate who receives the highest number of votes is elected.

(d) If two or more candidates for the same position tie for the highest number of votes for that position, those candidates shall draw lots to determine who is elected.

(e) The independent election auditor shall provide the board with a written report of the election results.

(f) The board may adopt necessary rules or bylaws to implement this section, including rules or bylaws to ensure the fairness, integrity, and openness of the voting process.

Section 3.18. Official Ballot. The Board shall adopt an official ballot form to be used in conducting the business of the Corporation for any member election. No other ballot form will be valid. Ballots from members are confidential and are exempted from disclosure by the corporation until after the date of the relevant election.

Section 3.19. Independent Election Auditor. The Board shall select an independent election auditor not later than the 30th day before the scheduled date of the annual meeting. The independent election auditor is not required to be an experienced election judge or auditor and may serve as an unpaid volunteer. At the time of selection and while serving in the capacity of an independent election auditor, the independent election auditor may not be associated with the corporation as:

- (a) an employee;
- (b) a director or candidate for director; or
- (c) an independent contractor engaged by the corporation as part of the corporation's regular course of business.

Section 3.20. Reimbursement of Expenses. Reasonable expenses incurred by any Director in the course of coordinating the affairs of the Corporation, including but not limited to expenses for attending seminars, conferences or like events on behalf of the Corporation, may be reimbursed by the Corporation upon proper substantiation and a resolution by the Board of Directors.

Section 3.21. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any Corporation matter is taken shall be presumed to have assented to the action taken, unless his/her dissent shall be entered in the minutes of the meeting, or unless he/she shall file his/her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. The right to dissent shall not apply to a director who voted in favor of an action.

Section 3.22. Advisory Members. The Board of Directors may from time to time appoint Advisory Members to its body. Advisory Members will not have voting rights, duties, or responsibilities as a formal member of the Board. They will receive notice of all meetings and be entitled to attend all meetings of the Board of Directors.

Section 3.23 Code of Conduct. Each Director of the Corporation shall sign and abide by the Code of Conduct which is attached hereto as Attachment "A"

SECTION 4 - OFFICERS

Section 4.01. Required Officers. The officers of the Corporation shall be a President, Vice-President and Secretary-Treasurer and such other officers as may from time to time be elected or appointed by the Board of Directors. Except for the offices of President and Secretary-Treasurer, the same individual may simultaneously hold more than one (1) office in the Corporation. All officers must be natural persons and shall be at least eighteen (18) years of age.

Section 4.02. Election. Each year at a meeting fixed and held by the Board of Directors, the Board shall elect the officers of the Corporation by a majority vote of those Directors present, provided a quorum exists.

Section 4.03. Term of Office. The officers of the Corporation shall hold office for one (1) year or until their successors are chosen and qualify in their stead, subject, however, to the right and authority of the Board of Directors to remove any officer at any time with or without cause.

Section 4.04. Powers' and Duties of Officers. The powers and duties of the officers of the Corporation shall be as follows:

- (a) President. The President shall be the Chief Executive Officer of the Corporation, shall have general and active management of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect, subject, however, to the right of the Board of Directors to delegate any specific powers, unless exclusively conferred upon the President by law, to any other officer of the Corporation.
- (b) Vice President. The Vice President shall have such powers and perform such duties as may be assigned to him or her by the Board of Directors or the President. In the absence or disability of the President, the Vice President shall perform the duties and exercise the powers of the

President. The Vice President may sign and execute contracts and other obligations pertaining to the regular course of his or her duties.

- (c) Secretary-Treasurer. The Secretary-Treasurer shall attend all meetings of the Board of Directors of the Corporation and shall be responsible for preparing the minutes of such meetings. The Secretary-Treasurer shall be responsible for the care and custody of the minute book of the Corporation and for authenticating records of the Corporation. It shall be his or her duty to give or cause to be given notice of all meetings of the Board of Directors. In the event the Secretary-Treasurer is absent for some reason from any meeting where minutes are to be prepared or is otherwise unable to take such minutes, the presiding officer of such meeting shall appoint another person, subject to the approval of those present and entitled to vote at such meeting, to take the minutes thereof. The Secretary-Treasurer shall have custody of the Corporation funds and securities, shall keep full and accurate account of receipts and disbursements in the appropriate Corporation books, and shall require the deposit of all monies and other valuable assets in the name of and to the credit of the Corporation in such financial institutions as may be designated by the Board of Directors. The Secretary-Treasurer shall require disbursement of the funds of the Corporation as may be ordered by the Board of Directors, and shall render to the President and the Board of Directors, at any time they may require, an account of his or her transactions as Secretary-Treasurer and of the financial condition of the Corporation. The Secretary-Treasurer shall also perform such other duties as may be assigned to him or her by the Board of Directors or by the President, under whose supervision he shall act.

Section 4.05. Removal. The Board of Directors may remove any officer at any time with or without cause.

Section 4.06. Vacancies. Any vacancies occurring in the offices of the President, Vice President, Secretary-Treasurer shall be filled by the Board of Directors as soon as practicable. Vacancies in other offices may be filled at the discretion of the Board of Directors.

Section 4.07. Delegation of Powers and Duties. In case of the absence of any officer of the Corporation, or for any reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers of such officer to any other officer or to any Director for the time being.

Section 4.08. Indemnification. With respect to claims or liabilities arising out of service as an officer of the Corporation, the Corporation shall indemnify and advance expenses to each present and future officer (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

SECTION 5 - RECORDS AND REPORTS

Section 5.01. Corporate Records. The Corporation shall keep as permanent records minutes of all meetings of its members and Board of Directors, a record of all actions taken by the members or Board of Directors without a meeting, appropriate accounting records, and a list of its members in alphabetical order by class showing their respective addresses and the number of votes each member is entitled to vote.

Section 5.02. Records at Principal Office. The Corporation shall keep at all times a copy of the following records at its principal office:

- (a) Its Charter or Restated Charter and all amendments thereto;
- (b) These Bylaws and all amendments thereto;
- (c) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations and obligations of members or any class or category of members;
- (d) The minutes of all meetings of members and the records of all actions taken by members without a meeting for the past three (3) years;
- (e) All written communications to members generally within the past three (3) years, including the past three (3) years' annual financial statements;
- (f) A list of the names and business or home addresses of its current Directors and officers; and
- (g) The most recent annual report delivered to the Tennessee Secretary of State.

Section 5.03. Annual Financial Statements. The Corporation shall prepare annual financial statements that include a balance sheet as of the end of the fiscal year, an income statement for that year, and such other information necessary to comply with the requirements of the applicable provisions of the Act.

SECTION 6 - MISCELLANEOUS PROVISIONS

Section 6.01. Fiscal Year. The fiscal year of the Corporation shall be July 1 through June 30.

Section 6.02. No Seal. The Corporation shall have no seal.

Section 6.03. Notices. Whenever notice is required to be given to Directors or officers, unless otherwise provided by law, the Charter or these Bylaws, such notice may be given in person, or by telephone, telegraph, teletype or other form of wire or wireless communication, or by mail or private carrier or by electronic mail, IT such notice is given by mail, it shall be sent postage prepaid by first class United States mail or by registered or certified United States mail, return receipt requested, and addressed to the respective address that appears for each such person on the books of the Corporation. Written notice shall be deemed to have been given at the earliest of the following:

- (a) When received;
- (b) Five (5) days after its deposit in the United States mail if sent first class, postage prepaid; or
- (c) On the date on the return receipt, if sent by registered or certified United States mail, return receipt requested, postage prepaid and the receipt is signed by or on behalf of the addressee.

Section 6.04. Waiver of Notice. Whenever any notice is required to be given under the provisions of any statute, or of the Charter or these Bylaws, a waiver thereof in writing signed by the person entitled to such notice, whether before or after the date stated thereon, and delivered to the Secretary of the Corporation and included in the minutes or corporate records, shall be deemed equivalent thereto.

Section 6.05. Negotiable Instruments. All checks, drafts, notes or other obligations of the Corporation shall be signed by such of the officers of the Corporation, or by such other person(s), as may be authorized by the Board of Directors.

Section 6.06. Deposits. The monies of the Corporation may be deposited in the name of the Corporation in such bank(s) or financial institution(s) as the Board of Directors shall designate from time to time and shall be drawn out by check signed by the officer(s) or person(s) designated by resolution adopted by the Board of Directors.

Section 6.07 Loans to Directors and Members Prohibited. The Corporation shall make no loans to any

Directors or any Members.

Section 6.08 Applicable Laws. The Corporation shall comply with all applicable laws of the United States and the State of Tennessee, and its Bylaws and Charter shall be interpreted to comply with all applicable laws of the United States and the State of Tennessee.

Section 6.09 Official Name and Address:

BERRY'S CHAPEL UTILITY, INC.
d/b/a HARPETH WASTEWATER COOPERATIVE
106 Mission Court, Suite 203A
Franklin, Tennessee 37067

Section 6.10 Federal Tax Identification Number. BERRY'S CHAPEL UTILITY, INC. d/b/a HARPETH WASTEWATER COOPERATIVE. tax identification number is: 45-7777777

SECTION 7 - NONPROFIT OPERATION

Section 7.01. Interest or Dividends on Capital Prohibited. The Corporation shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its ~~patrons~~members. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its ~~patrons~~members.

Section 7.02. Disposition of Revenues; Distribution of Excess. With respect to the Corporation's furnishing of sewer service, the revenues therefrom for any fiscal year, in excess of the amount thereof necessary:

- (a) to defray expenses of the Corporation, including the operation and maintenance of its facilities during such fiscal year;
- (b) to pay interest and principal obligations of the Corporation coming due in such fiscal year;
- (c) to finance, or to provide a reserve to finance, the construction or acquisition by the Corporation of additional facilities to the extent determined by the Board;
- (d) to provide a reasonable reserve for working capital;
- (e) to provide a reserve for the payment of indebtedness of the Corporation maturing more than one year after the date of the incurrence of such indebtedness in an amount not less than the total of the interest and principal payments in respect thereof required to be made during the next following year; and
- (f) to comply with any covenant or obligation of the Corporation pursuant to any contract in which it has entered;

Shall be distributed or credited by the Corporation to ~~patrons~~members:

- (a) as ~~patronage~~member refunds prorated in accordance with the ~~patronage~~member of the Corporation by the respective ~~patrons~~members paid for during or with respect to such fiscal year; or
- (b) by way of general reductions of rates or other charges; or
- (c) by any combination of such methods.

Section 7.03. Use of Contributed Capital. The primary purpose of the Corporation is to furnish its ~~patrons~~members with sewer service at the lowest rates and charges consistent with prudent management

and sound economy. Therefore, all amounts received and receivable from the furnishing of sewer service to ~~patronsmembers~~, members and non-members alike, in excess of operating costs and expenses properly chargeable thereto are at the moment of receipt by the Corporation received with the understanding that they are furnished by the ~~patronsmembers~~ as capital. Capital contributed by the ~~patronsmembers~~ shall be used only for capital purposes, including, without limitation, new sewer system improvements, the retirement of sewer system indebtedness at or prior to maturity, and working capital adequate for all purposes, and for facilitation of general rate reductions.

Section 7.04. *Ascertainment of Contributed Capital.* The Corporation shall maintain such books and records as will enable it at any time, upon reasonable notice, to compute the amount of capital contributed during any given accounting period by each of its ~~patronsmembers~~.

Section 7.05. *Contract.* The ~~patronsmembers~~ of the Corporation, by dealing with the Corporation, acknowledge that the provisions of this Section of the Bylaws shall constitute and be a contract between the Corporation and non-member ~~patronsmembers~~, and both the Corporation and such ~~patronsmembers~~ are bound by such contract as fully as though each ~~patronsmember~~ had individually signed a separate instrument containing such terms and provisions. The provision of this Section of the Bylaws shall be called to the attention of such ~~patronsmembers~~ by being posted in the Corporation's offices.

Section 7.06. *Dissolution.* Upon discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation remaining after payment of the lawful indebtedness of the Corporation shall be distributed among the members and former members in direct proportion to the amount of their patronage with the Corporation insofar as practical. Any indebtedness due the Corporation by a member for wastewater treatment services or otherwise shall be deducted from such member's share prior to final distribution. By application for and acceptance of membership in the Corporation, each member agrees that, upon discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation transferred to that member shall be in turn immediately transferred by that individual member to an entity that provides a wastewater treatment service to the members real property. By application for and acceptance of membership in the Corporation, each member grants the Corporation's board of directors that member's irrevocable power of attorney to execute all instruments and documents necessary to effectuate such transfers in order to preserve the Corporation's statutory rights to exemption from income and ad valorem taxation.

SECTION 8 - WAIVER OF NOTICE

Any member or director may waive, in writing, any notice of meetings required to be given by these Bylaws or any notice that may otherwise be legally required, either before or after such notice is required to be given.

SECTION 9 - RULES OF ORDER

Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws and of any other committee of the members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Corporation's Charter or Bylaws. This Article shall be subordinate to any other provision of these Bylaws pertaining to the votes required for action by members, directors or committees.

SECTION 10 - RATES AND RULES AND REGULATIONS

The Board of Directors shall set the Corporation's rates and charges for sewer service and shall establish the rules and regulations governing the provision of sewer service by the Corporation. The Corporation's rates and charges and rules and regulations governing the provision of sewer services on the effective date of these Bylaws are attached as Appendix "A" to these Bylaws. The Board of Directors may change, alter and amend the rates and charges for sewer service and the rules and regulations governing the provision of sewer service at any time. The Corporation's rates and charges for sewer service and the rules and regulations governing the provision of sewer services shall become a part of every contract with any ~~person~~member receiving sewer service from the Corporation.

SECTION 11 - AMENDMENT OF BYLAWS

Section 11.01. By Members. The Members may amend or repeal these Bylaws at any annual or special meeting of the members where a quorum is present, provided that the notice of such meeting shall state that the purpose or one (1) of the purposes, of the meeting is to amend the Bylaws and shall also contain a description of the amendment to be considered. An amendment to these Bylaws must be approved by the members by the lesser of: (a) two-thirds (2/3) of the votes cast, or (b) a majority of the total number of votes entitled to be cast. These Bylaws may also be amended by the members without a meeting in the same manner as provided therefor herein, except that such action to amend must be by: (a) two-thirds (2/3) of the votes cast, or (b) a majority of the total number of votes entitled to be cast, whichever is less.

~~Section 11.02. By Board of Directors. By a majority vote of the Directors then in office, the Board of Directors may amend these Bylaws, including bylaws adopted by the members, at any regular or special meeting of the Board of Directors where a quorum is present, provided that such meeting is preceded by at least two (2) days' notice to each Director of the date, time and place of the meeting. Such notice shall also state that the purpose or one of the purposes, of the meeting is to consider a proposed amendment to the Bylaws, and shall contain or be accompanied by a copy or summary of the proposed amendment or state the general nature thereof. These Bylaws may also be amended by the Directors without a meeting in the same manner as provided therefor herein, except that such action to amend must be by a majority vote of the Directors then in office.~~

SECTION 12 - STANDARDS OF CONDUCT

Section 12.01 *Standards of Conduct.* A director or an officer of the Corporation shall discharge his or her duties as a director or as an officer, including duties as a member of a committee:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c) In a manner he/she reasonably believes to be in the best interest of the Corporation.

Section 12.02 *Reliance on Third Parties.* In discharging his/her duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

(a) One or more officers or employees of the Corporation who the director or officer reasonably believes to be reliable and competent in the matters presented;

(b) Legal counsel, public accountants, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence; or

(c) A committee of the Board of Directors of which the director or officer is not a member, as to matters within its jurisdiction, if the director or officer reasonably believes the committee merits confidence.

Section 12.03 *Bad Faith.* A director or officer is not acting in good faith if he/she had knowledge concerning a matter in question that makes reliance otherwise permitted by Section 6.2 unwarranted.

Section 12.04 *No Liability.* A director or officer is not liable for any action taken, or any failure to take action, as a director or officer, if he/she performs the duties of his/her office in compliance with the provisions of this Article, or if he/she is immune from suit under the provisions of Section 48-58-601 of the Act.

Section 12.05 *No Fiduciary.* No director or officer shall be deemed to be a fiduciary with respect to the Corporation or with respect to any property held or administered by the Corporation, including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

SECTION 13 - CONFLICTS OF INTEREST

Section 13.01 *Purpose.* The purpose of the conflict of interest policy is to protect the Corporation interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

Section 13.02 *Definitions.*

(a) *Interested Person* - Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) *Financial Interest* - A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (1) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement.
- (2) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

- (4) Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 13.3(b), a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 13.03 Procedures.

- (a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- (b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists, or approval of a conflict of interest maybe obtained from the Attorney General of the State of Tennessee, or from a court of record having equity jurisdiction in an action in which the Attorney General is joined as a party.
- (c) Procedures for Addressing the Conflict of Interest.
- (1) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (2) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (3) After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- (4) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- (5) If the governing board or committee is unable to approve or disapprove of a transaction or arrangement through the procedures set forth in Section 13.03(c)(1)-(4) herein, then the Corporation may seek approval of the transaction or arrangement from the Attorney General of the State of Tennessee, or from a court of record having equity jurisdiction in an action in which the Attorney General is joined as a party.
- (d) Quorum Requirements. For purposes of this Section 13.03, a conflict of interest transaction or

arrangement is authorized, approved or ratified if it receives the affirmative vote of a majority of the members of the governing board or committee, who have no direct or indirect interest in the transaction or arrangement; but a transaction or arrangement may not be authorized, approved or ratified under this Section 13.03 by a single director. A quorum is present for the purpose of taking action under this Section 13.03 if a majority of the members of the governing board or committee who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction or arrangement.

(c) Violations of the Conflicts of Interest Policy.

- (1) If the governing board or committee has reasonable cause to believe a member has failed to Disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (2) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 13.04 *Records of Proceedings.* The minutes of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest;
 - (1) the nature of the financial interest,
 - (2) any action taken to determine whether a conflict of interest was present, and
 - (3) the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement;
 - (1) the content of the discussion,
 - (2) any alternatives to the proposed transaction or arrangement, and
 - (3) a record of any votes taken in connection with the proceedings.

Section 13.05 *Compensation.*

- (a) A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any

committee regarding compensation.

Section 13.06 Annual Statements. Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement in a form similar to Attachment "B" hereto, which affirms such person:

- (a) Has received a copy of the conflicts of interest policy,
- (b) Has read and understands the policy,
- (c) Has agreed to comply with the policy, and
- (d) Understands the Corporation, if it applies for and is granted 501(c)(12) tax exempt status, in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

Section 13.07 Periodic Reviews. To ensure the Corporation operates in a manner consistent with nonprofit purposes and does not engage in activities that could jeopardize its future tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further its nonprofit purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 13.08 Use of Outside Experts. When conducting the periodic reviews as provided for in Section 13.07, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

CERTIFICATION

I certify that these Bylaws were duly adopted as amended on this the _____ day of August 2014.

By: _____

Mike Knott, Chairman

ATTACHMENT "A"

BERRY'S CHAPEL UTILITY, INC

BOARD OF DIRECTORS CODE OF CONDUCT

I. APPLICATION AND GENERAL PRINCIPLES

The Berry's Chapel Utility, Inc (the "Corporation") looks to its Board of Director and Officers to maintain the highest standards of integrity at all times in conducting the affairs of the Corporation. The Corporation's Code of Conduct (the "Code"), which describes policies regarding standards of behavior and applies to all Directors and Officers, is set forth below.

The Code's contents represent the values of the Corporation as well as the Corporation's commitment to complying with federal and state legal requirements applicable to charitable organizations. The overriding principles upon which this Code is based are the duties of *care and loyalty* toward the Corporation. This means that the behavior of the Directors and Officers must not conflict with the interests of the Corporation. It is the Corporation's expectation that Directors and Officers will:

- Act honestly and with integrity in all matters pertaining to the Corporation;
- Strive to honor members of law enforcement through support of their efforts to improve the quality of life in our community;
- Not unduly influence or attempt to unduly influence any law enforcement officer;
- Treat all who interact with the Corporation with respect and good faith;
- Use the Corporation's resources wisely;
- Disclose and appropriately monitor potential conflicts of interest and administer the affairs of the Corporation equitably;
- Provide appropriate public disclosure of the Corporation's programs, grants and financial status;
- Promptly report internally any violations of this Code of Conduct and protect good faith reporters from retaliation; and
- Observe the spirit and comply with the letter of all applicable laws, regulations and internal policies.

Directors and Officers should recognize that this Code cannot anticipate every situation in which ethics are implicated. The Corporation expects its Directors and Officers to comply with their duties of care and loyalty toward the Corporation in all situations, whether or not a situation is specifically addressed by the Code. Areas warranting particular care are discussed below. If Directors and Officers have doubts as to which conduct is appropriate in a particular situation, they should ask the Chief Compliance Officer of the Corporation. The Secretary/Treasurer of the Corporation is the Chief Compliance Officer. Contact information for the Chief Compliance Officer and other relevant officers is provided in Appendix B to this Code.

2. PROFESSIONALISM

All Directors and Officers are representatives of the Corporation, and as such, should conduct themselves so as to promote a positive image of the Corporation. It is their responsibility to interact in a courteous and professional manner with those they encounter in the course of their work, such as grant seekers, grantees, vendors, law enforcement officers, other Directors and Officers and other members of the general public.

3. TREATMENT OF OTHERS

Corporation Directors and Officers must treat others equally, with respect and care. This applies to treatment of other Directors and Officers as well as to members of the public, including grant seekers whose applications must be treated fairly and expeditiously. The Corporation does not tolerate discrimination against anyone due to race, color, age, sex, religion, national origin, citizenship, ancestry, marital status, sexual orientation, disability, military or veteran status, political opinion, or any other basis prohibited by law. Harassment or disparagement on any of these grounds is absolutely prohibited.

4. CONFIDENTIALITY

Because of the visibility of the Corporation's work, all Directors and Officers must be careful when speaking with members of the public (including friends and acquaintances, grant seekers, and grantees) as well as the media. Directors and Officers may not disclose any non-public information known to them by reason of their position, except as authorized by the President or as may be required by law. Under no circumstances is such information permitted to be used for private advantage.

5. CONFLICTS OF INTEREST

The Corporation seeks to prevent actual conflicts of interest, to disclose potential conflicts of interest, and to ensure that potential conflicts of interest do not become actual conflicts of interest. It also seeks to sensitize the Directors and Officers to potential conflicts of interest. Accordingly, the Corporation has adopted a Conflict of Interest Policy (see Bylaws, Article XIII).

6. POLITICAL ACTIVITIES

The Corporation is prohibited by law from engaging in certain advocacy activities, namely lobbying (including the signing of petitions advocating a change in the law) and involvement in political campaigns. While Corporation Directors and Officers are free to express their own views through lobbying or involvement in political campaign activities, they may only engage in these activities in their personal capacities and on their own time. This means that no such activities may be conducted with Corporation resources (including the use of support staff, Corporation stationery, or emails). With respect to Directors and Officers, this means that no such activities may be conducted when acting as a representative of the Corporation. In order that the Corporation not be seen as endorsing the political activities of its Directors and Officers, such persons must make every effort to avoid associating the Corporation with their activities. When engaging in such activities, Directors and Officers should make it clear that they are only acting in a personal capacity and should only permit their affiliation with the Corporation to be noted for identification purposes.

There are, however, a number of activities that can be undertaken without violating the prohibition against lobbying or intervening in political campaigns. The following are examples of such activities:

- Directors and Officers may provide technical support and advice on the subject of legislation, including testifying before a Congressional committee or other governmental body, if invited in writing to do so by the committee or governmental body.
- Directors and Officers may discuss and provide advice to policymakers on broad social, economic and similar policy issues, as long as they do not address the merits of a specific item of legislation.
- Directors and Officers may discuss and provide advice to policymakers on regulatory issues, including the implementation of legislation that has already been adopted.
- Directors and Officers may provide nonpartisan analysis, study or research that discusses legislation, so long as such analysis, study or research presents a sufficiently full and fair exposition of the facts so that an individual could form an independent conclusion or opinion. Dissemination of such analysis may not be limited to persons interested in only one side of an issue.
- Directors and Officers may communicate with policymakers, including legislators, with respect to possible acts that might affect the Corporation's existence, powers and duties, tax-exempt status, or deductibility of contributions to it.

Because the lobbying and political campaign intervention rules are complex and violations of them can be costly, Directors and Officers are encouraged to notify the Chief Compliance Officer of any activities in which they participate that involve legislation or touch on an election.

7. REPORTING OF UNETHICAL OR ILLEGAL CONDUCT

If anyone covered by this Code becomes concerned about any suspected illegal action or a suspected violation of the Code that has been taken or is contemplated to be taken, he or she should voice this concern. See the Corporation's Policy on Reporting Unethical or Illegal Conduct, in Section 12 herein for applicable rules and procedures.

8. AMENDMENTS TO THE CODE OF CONDUCT

This Code and the policies to which it refers may be amended by the Board of Directors from time to time by majority vote.

9. DISTRIBUTION OF THE POLICY AND DISCLOSURE STATEMENT

A copy of this Policy shall be furnished to each Director and Officer, who shall complete and file with the Secretary of the Corporation annually the Disclosure Statement attached to this Policy as Appendix "B". Additionally, when any information listed on Appendix "B" changes, including the position held by the individual completing the form, a new Disclosure Statement must be completed and filed with the Secretary. New Corporation Directors and Officers shall be advised of the Policy and its terms and shall be required to complete and file Appendix "B" upon undertaking their duties.

10. COMPLIANCE WITH THIS CODE OF ETHICS

The Directors and Officers shall strive to follow the principles in this *Code of Ethics* and other policies of the Corporation and demonstrate a high level of professional behavior. Unfortunately, there are rare occasions when there is a violation of the *Code* or other policies. To uphold our commitments to our donors, the Corporation must act to protect its image and reputation and avoid possible legal penalties. If there is a violation, disciplinary action may be required.

Violations of this Code may subject the offending Director or Officer to disciplinary action, up to and including the Corporation's termination of that person's association with the Corporation.

Any report of concern about conduct that may contravene the Code or other policies will be treated confidentially to the extent possible and in a manner consistent with the Corporation's responsibility to address the issue raised. No one may retaliate or take adverse actions against another Director or Officer who in good faith reports an actual or apparent contravention of the Code or other policies, or provides information or assistance for an investigation.

11. YOUR PERSONAL PLEDGE

The Corporation represents a commitment to doing what is right. By working for the Corporation, you are agreeing to uphold this commitment. Understand the standards set forth in this policy and the guidelines that apply to you – and always follow them. Those who fail to follow these standards put themselves and the Corporation at risk. They are also subject to disciplinary action, including termination of the individual's membership or position.

12. POLICY ON REPORTING UNETHICAL OR ILLEGAL CONDUCT

a. GENERAL PRINCIPLES

As stewards of the public trust, all Directors and Officers of the Corporation are expected to ensure that the Corporation complies with high standards in financial accounting and reporting, and engages in lawful and ethical behavior. This Policy is intended to remind Directors and Officers of this expectation, to encourage all to report to the Officers any concerns about possible violations, to lay out procedures for reporting and investigating complaints and to describe the protections afforded under this Policy. Unless specifically noted, non-director committee members are also covered by this Policy.

The Officers of the Corporation will oversee the implementation of this Policy.

b. COMPLAINTS

If any Director or Officer knows or has a reasonable belief that persons associated with the Corporation have 1) influenced, attempted, or plan to attempt to influence a law enforcement official to breach such law enforcement officers code of conduct, or 2) engaged or plan to engage in illegal or unethical conduct in connection with the Corporation's reputation, financial resources, or operations, that person is expected to file a complaint immediately.

c. PROCEDURE FOR FILING COMPLAINTS

Complaints may be reported on a confidential, anonymous basis, orally or in writing, giving as much detail as possible, to the Chief Compliance Officer. Contact information is appended to this Policy. The Chief Compliance Officer, upon receiving a verbal complaint, will promptly prepare a written summary of the complaint, including as much detail as possible. Also see Alternate Procedures for Handling Complaints Regarding the President below.

1) Handling of Complaints Received

- a) All non-anonymous complaints shall be reported to the Chief Compliance Officer and acknowledged by the Chief Compliance Officer, unless the complaint concerns the Chief Compliance Officer, in which case the complaint shall be reported to the President.
- b) The complaint will be reviewed, possibly with counsel, and investigative action will be undertaken as promptly as possible.
- c) The Chief Compliance Officer in consultation with the President (or the Chair of the Board if the President is the target of the complaint) will decide on further actions to be taken, including additional investigation and/or legal or disciplinary action.
- d) The Chief Compliance Officer will report to the Executive Committee any complaint that has been determined to be credible and material. This report will generally include a copy of the complaint and the date and nature of the complaint. It will also describe the conduct and status of any investigation and any recommendations to address the complaint.
- e) The Chief Compliance Officer will ensure that records of all complaints are maintained for four years.

2) *Alternate Procedures for Handling Complaints Regarding the President*

Where a complaint involves the President, the following alternate procedures should be followed:

- a) The complaint will be presented to the Chief Compliance Officer who will inform the Chair of the Board.
- b) After consultation with the Chair of the Board, the Chief Compliance Officer will proceed, possibly with advice of counsel, to investigate the complaint in accordance with this Policy.

d. ACTION ON COMPLAINTS

The Executive Committee will take appropriate action in response to any complaints, including disciplinary action (up to and including termination of the position on the Board of Directors) against any person who, in the Corporation's assessment, has engaged in unethical conduct or misconduct and, where appropriate, reporting of such misconduct to the relevant civil or criminal authorities.

e. PROTECTION UNDER POLICY

The Corporation will not knowingly, with the intent to retaliate, take any action harmful to any Director or Officer, for:

- 1) reporting a complaint in good faith pursuant to this Policy or to law enforcement officers, governmental agencies or bodies, or persons with supervisory authority over the complainant;
- 2) providing in good faith information regarding a complaint to law enforcement officers, governmental agencies or bodies, or persons with supervisory authority over the complainant, or otherwise assisting in any investigation conducted by the Corporation; or
- 3) otherwise participating or assisting in a proceeding filed or about to be filed.

Any Director or Officer who retaliates against another for reporting a complaint in good faith pursuant to this Policy will be subject to disciplinary action, up to and including removal from the Board of Directors. Any Director or Officer who deliberately or maliciously provides false information may be subject to disciplinary action, up to and including removal from the Board of Directors.

F. CONFIDENTIALITY

In conducting its investigations and in reporting complaints, the Corporation will strive to keep as confidential as possible the identity of any complainant or any individual who provides information during an investigation, except as required by law.

This Code of Conduct has been approved and adopted by the Berry's Chapel Utility, Inc. Board of Directors on this the day of , 2014.

Berry's Chapel Utility, Inc

By:

Mike Knotts, Chairman

APPENDIX "B"

2014 CONTACT INFORMATION

Chief Compliance Officer:

Name: _____

Address: _____

Phone: _____

Email: _____

President:

Name: _____

Address: _____

Phone: _____

Email: _____

Chair of the Board of Directors:

Name: _____

Address: _____

Phone: _____

Email: _____

BERRY'S CHAPEL UTILITY, INC.
CONFLICT OF INTEREST POLICY
DISCLOSURE STATEMENT

PART A

I have been provided with a copy of the Corporation's Conflict of Interest Policy. I have read the Policy, and I hereby agree to abide by it.

Name _____

Date _____

PART B

In the space below, please list all entities, groups, or organizations that do business, or it is anticipated will do business, with the Corporation (e.g., as vendors, service providers, or as grantees) in which (1) you have a substantial involvement, including as trustee, director, officer, committee member, key staff member, or major donor; or (2) you or any "family member" (defined as spouses, children, parents, and other members of your household) have a "material economic interest" (defined as an ownership interest of 10% or more).

(1) Entities in which you are a director, trustee, officer, committee member, key staff member, or major donor.

(List should include the name of the name of entity and your position or relationship to it.)

(2) Entities in which you or a family member has a material economic interest defined as an ownership interest of 10% or more.

(List should include the name of the family member (if relevant).)

(3) Potential conflicts of interests arising from other relationships that you or a family member may have.

BYLAWS Change: 2014-030

Title:

Proposal to establish Proxy Voting

Submitted by:

Charles Kildgore 8/15/2014

Issue Rationale:

Text of the Resolution:

1: Whereas, the right of proxy has been removed by the directors in a prior resolution using the authority of a now or soon to be removed bylaw 11:02,

And whereas the issue was never put before the membership for discussion or vote,

And whereas the right of transfer of any members right is and important way to include ALL members,

BE IT SO RESOLVED that any member may give his proxy to any other member at any time as is his right under section 2.03 of the bylaws and established in section 7 of these bylaws.

Argument: At some time in the future when the company is running smoothly without controversy and all that we have done has been forgotten, we will be hard pressed to get 100 people out of 1000 members to conduct the necessary business of the corporation. While proxies can be abused by both board members and single issue fanatics all in all it gives the right to vote to concerned members who cannot attend a meeting for any reason.

IF the company moving forward posts all information on its web site and is openly communicating in good faith there will be no need for any controversy. If a person has an idea for example on how to cut electrical costs at the plant any interested party could be informed prior to a vote and can provide his proxy to someone who views the idea in the same way. This is the way of a business corporation and it should be our way as well.

2: Section 10: MEMBER oversight and input.

If you ask me to help you I will extend my hand! If you tell me I must join you I may make a fist! The more information provided to the membership the more likely we will understand the need for increases. This should start with a thorough explanation of the now \$34.50 monthly fee and exactly where that money is spent. It should continue with a clear expectation of the payment of each member's monthly bill and how non-payment cannot be allowed because it impacts our neighbors. The board has a big job in finding an operator, suing the Rings, determining the future cost of fixing the plant, building a new plant and properly closing down the old plant. In addition the company may need to grow to 1450 homes to help offset the future costs. It's still a lot better having our neighbors at the helm rather than self-serving developers. More information is better!

Whereas the board should inform and request the input of its members

BE it IS SO Resolved to add "After submitting the proposed rate increase to the membership for comment and discussion. This may be done by electronic means if possible.

ACTION: (For HWC Staff Use)

By MEMBERSHIP

Date of Action: _____

Votes For: _____

Votes Against: _____

Resolution: _____

Passes / Fails

Harpeth Wastewater Cooperative
Member Proposed Change Request

RESOLUTION: ____ 2014-029 ____ (For HWC Staff Use)

Check One: Bylaw Change ____ Charter Change ____ Resolution X

TITLE:

Resolution supporting Board to proceed with Civil Lawsuit and authorizing expenses as deemed appropriate by the Board

ISSUE/RATIONALE:

Harpeth Wastewater Cooperative is not a viable ongoing concern under its current rate structure and debts. The situation was foreseeable by any prudent man, therefore the terms of the Merger Agreement (That joined Lynwood Utility and Berry's Chapel Utility, Inc.) should never have been implemented. The previous directors Mr. Jim Ford, Mr. John Ring, and Mr. Tyler Ring improperly committed BCUI to the terms of the agreement. The effect was to greatly increase the profits of the previous owners at the expense of the customers they should have been representing.

FINANCIAL IMPACT:

While the legal costs may be initially high it is the belief of the submitter that such a suit will prevail with the preponderance of evidence regarding the one sided nature of the transaction and the fact that it was acted upon by a Board that was not qualified by the Bylaws.

Potential Benefit about \$5.0 Million. This is estimated based on removing all debts, liens, and forcing the actions of the Initial Board to be borne by the previous owners.

SUBMITTED BY: Tom Moore **Date:** August 18, 2014

TEXT OF THE RESOLUTION:

Whereas the Initial Board of Berry's Chapel Utility, comprised of Mr. Jim Ford, Mr. John Ring, and Mr. Tyler Ring, had a conflict of interest in the awarding of contracts and agreements regarding the transfer of ownership from Lynwood Utility to BCUI, and;

Whereas the following items listed appear to be accurate:

1. Initial Board attempted to create a monopoly regarding the rates charged to the Members. Attempt was made to transition to a Non-Profit corporation without Members in order to escape the oversight of the Tennessee Regulatory Authority and involvement of the Consumer Affairs Division of the Attorney General.

Harpeth Wastewater Cooperative Member Proposed Change Request

- a. In the attempt to create the monopoly the Initial Board incurred significant legal expense pursuing the matter.
 - b. The Initial Board implemented a \$20 per month per customer charge that was not approved by the TRA. This overcharge will be fully returned to the customers as of September 2014.
 2. Upon realizing that BCUI could only be unregulated if it was a non-profit corporation with Members, the Initial Board amended the Charter. However, the corporation was required to have an annual meeting to review the company.
 - a. The required annual meeting was never called by the Initial Board.
 - b. The minutes of the Initial Board's meetings indicate that the delay may have been an effort to forestall the election of a Member represented board until after significant rate increases were passed and efforts to refinance all indebtedness had completed.
 - c. It is possible that the financial condition of BCUI with a rate increase could have been strong enough to get an unsuspecting Bank to finance ALL the open indebtedness of BCUI. Such move would have removed the prior Owners from personal financial consequences of the losses sustained by Lynwood and passed to BCUI.
 - d. A refinance effort that would pay Mr. John Ring \$1,200,000 and Mr. Tyler Ring \$1,200,000, and pay off the approximately \$1,400,000 due to Tennessee Commerce Bank (guaranteed by Mr. John Ring) might have enabled the gains from the merger to be paid into the accounts of Mr. John Ring, and Mr. Tyler Ring. It appears that the refinance needed to occur BEFORE a new Board was seated.
 3. Initial Board Members were disqualified according to the Bylaws that they had implemented and pledged to uphold.
 - a. All Board members were required to be customers. Only Mr. Tyler Ring was a customer.
 - b. There had to be 3 Board Members at all times. When a board member does not qualify, he should have been replaced and no business be conducted until a valid Board was seated. The Initial Board failed to hold a meeting or to appoint a qualified replacement for Mr. Jim Ford, or Mr. John Ring.
 4. Mr. Ford and Mr. John Ring were not qualified to be on the Board yet they continued to serve. They approved related party transactions associated with their own companies. (Tennessee Contractors, Visions Incorporated, and Utility Consultants Incorporated.
 5. Any actions taken without approval of a qualified Board may be subject to reversal. This includes all financial aspects of the merger.
 6. Mr. Tyler Ring, acting as President of BCUI and also owner of Utility Contractors, Inc., wrote a contract for his services.
 - a. Contract was for approximately \$4500 per month plus expenses and other costs not normally found in an arm's length contract for services.
 - b. Previous years accounting records indicate that Mr. Tyler Ring was paid \$2750 monthly for the same services.
-

Harpeth Wastewater Cooperative Member Proposed Change Request

- c. While Mr. Tyler's Ring contract as General Manager required that he manage the company there is little evidence that he did more than oversee the Operations of the Treatment Facility.
7. Mr. John Ring charged BCUI annual rent in the amount of \$20,000 for space shared with his own company, Tennessee Contractors. It is believed that this was not to the interest of BCUI because the fees were excessive and paid to a related party.
8. Mr. Jim Ford charged \$140 per hour for Accounting Services. However there is not sufficient evidence of actual work provided. Further investigation of Mr. Ford's benefit are warranted.
9. The transfer of assets at the merger was based on an invalid valuation method. In a merger of related parties it would be prudent to transfer at Net Asset Value. Based on information provided by Lynwood to TRA:
 - a. Book value of Net Utility Plant at time of transfer net of Depreciation was \$1,487,912.
 - b. NEW Value of Net Utility Plant produced by the Reproduction Cost Less Depreciation (RCLD) was \$5,495,384 as of January 2009.
 - c. Therefore, NET Additional Utility Plant Valuation created by simple signature was \$4,007,472.
 - d. Contract with Jordan, Jones, and Goulding indicates that two Valuation Methods were to be used and reported to Lynwood Utility. ONLY 1 method is included. The RCLD method that significantly increased the Value was used, but the result of the Discounted Cash Flow (DCF) method was not found in the records of the corporation.
 - e. Since Lynwood had an accumulated Balance Sheet account of Retained Earnings of negative (\$1,069,367) it is possible that the DCF method would have resulted in a negative amount.
 - f. The RCLD method is faulty because it fails to discount the Reproduction Cost to account for the Inflationary effect on the dollar. For example a dollar in 1970 is worth many more in today's dollars. The RCLD is not a valid method of obtaining value. This would not have been used had there been an arm's length negotiation.
10. Prior to the "merger" Lynwood Balance Sheet indicates Net Worth being Negative \$398,646.

2010 Lynwood Financial Report

TOTAL ASSETS	\$	1,957,321
Total Capital	\$	(398,646)
Total Liabilities	\$	2,355,967
TOTAL LIABILITIES & CAPITAL	\$	1,957,321
NET WORTH	\$	(398,646)

11. After the "merger" the surviving BCU balance sheet indicates.

Harpeth Wastewater Cooperative
Member Proposed Change Request

2010 BCUI Financial Report

TOTAL ASSETS	\$	5,804,490
Total Capital	\$	1,648,556
Total Liabilities	\$	4,155,934
TOTAL LIABILITIES & CAPITAL	\$	5,804,490
NET WORTH	\$	1,648,556

- a. The corresponding Profit and Loss Statement for BCUI shows Net Income LOSS of \$341,181.
 - b. The problem with the Net Worth being so high is that it is based on an estimated scheme designed to inflate the value.
 - c. It is entirely improbable for a company with historical losses and a continued negative outlook to increase its value by \$3.6 Million with no corresponding capital investment.
12. Mr. John Ring, and Mr. Tyler Ring attempted to divest themselves of a non-performing company at significant gain to themselves without regard for the impact on the Customers. They violated the fiduciary responsibility.
13. Since the debts were incurred by Mr. John Ring and Mr. Tyler Ring for their own benefit, they should be liable for the disposition of the debts
- And;

Whereas the financial implications of the merger transaction were not fair to the customers, and Mr. Ford, Mr. John Ring, and Mr. Tyler Ring did transact to the detriment of the Customers they breached their fiduciary responsibility, and:

Whereas it is possible that Mr. Ford, Mr. John Ring, and Mr. Tyler Ring continued to act in their own interests instead of the Customers of BCUI. They may be subject to prosecution for failing their actions. It is suggested that the Board provide information to the appropriate authorities to determine if a fraud has occurred.

Therefore, It is hereby RESOLVED, that the Members of Harpeth Wastewater Cooperative do support the Board's actions to include:

1. Determine what the correct valuation of the transfer from Lynwood to BCUI would have been if there had been an arm's length transaction.
 - a. Take action as necessary to discover what offers of acquisition had been tendered to Lynwood prior to the July 1, 2010 merger. Such offers include analyzing the offers from the City of Franklin and ANY other offers.
 - b. Contact companies that might have been included in a proposal to purchase Lynwood to determine the Fair Market at different points of time.
2. Take whatever action is necessary to remove any and ALL liens against HWC owned assets.

Harpeth Wastewater Cooperative
Member Proposed Change Request

3. Should the Board believe it is in the best interest of the members to incur additional legal fees to sue the Old Board then the membership supports the action. It is understood that this could cost in excess of \$50,000.
4. Investigate whether the Previous Board inappropriately transferred funds from HWC to Tennessee Contractors and/or Mr. Jim Ford, Mr. John Ring, and Mr. Tyler Ring.
5. Inform the Internal Revenue Service of the conflict of interest and potential income tax violations that might have occurred.
6. Board is authorized to enter into a settlement to resolve these claims. If the settlement is acceptable by the Board, then any other additional action in this resolution is NOT required.

ACTION: (For HWC Staff Use)

By MEMBERSHIP Date of Action: _____

Votes For: _____ Votes Against: _____

Resolution: Passes / Fails

Resolution 2014-032

Title:

The cooperative concept may or may not be the correct way to move forward. The resolution was passed on March 13th without any review or discussion and any further action should be delayed until a case is made to all of the members and all of the members have the opportunity to cast a written ballot.

Submitted by:

Charles Kildgore 8/15/2014

Issue/Rationale:

It is important that the process is an open one and it should only come after the debt issues with the Rings have been settled. The new board has to determine the cost of shutting down the plant, the cost of relocating /building a new plant and the cost of upgrading and maintaining the current plant. In addition what the plant capacity is and what actions need to be taken to grow the cooperative while still maintaining the health of the Harpeth River all have to be considered. Finally a better result may be to turn the entire company over to Franklin or other government entity hence eliminating the need for the cooperative or company. The Coop committee should report on all of these issues.

Financial Impact:

There is no immediate financial impact to the company if we do not continue to ask for a rate increase. Any future increases should be submitted to the membership for comment and then to the TRA which can note any objections and decide on any increase. This can only happen after a complete evaluation of the current and future operations of the company.

Text of the Resolution:

Whereas, the cooperative concept is complex and detailed

And

Whereas, On 3/13/14 there was no prior discussion of the Pros and Cons of a true cooperative,

BE IT RESOLVED:

A committee shall be formed to outline the value to members in detail of becoming a cooperative with all benefits and concerns addressed. Within 3 months or on or before November 30th the outline shall be provided to all ratepayers with dates for public discussion along with a written ballot. The vote shall be governed by the current bylaws regarding quorum and majority. The resulting vote outcome shall be communicated with the ratepayers with their monthly billing statement within 30 days of the Ballot deadline.

ACTION: (For HWC Staff Use)

By MEMBERSHIP

Date of Action: _____

Votes For: _____

Votes Against: _____

Resolution: _____

Passes / Fails

Resolution 2014-033

Title:

Certified Operator(s) hired to work at the wastewater treatment plant and collection system

Submitted By:

Doug Ezell

8/17/2014

Issue / Rationale:

Presence of experienced workers, who are directed by qualified personnel, at the plant on a day-to-day basis is critical to successful operation of the plant. A review of plant labor costs shows there are only two people who operate the plant day to day, neither of which is a qualified operator. Therefore, a certified operator (i.e., a qualified operator) is needed.

Maintenance of the wastewater collection system is required to assure the integrity of the collection system to prevent water infiltration and inflow that may result in wastewater overflows, surface water contamination, and regulatory penalties. A certified collection system operator is needed.

Financial Impact:

There will no financial impact with the employment qualified wastewater treatment plant and collection system operators because the company will no longer be paying salaries and expenses to the current qualified operator of record and consultants. [Note: One person could be certified for both wastewater operations and collection systems operations.]

Text of the Resolution:

Whereas, Tennessee Department of Environment and Conservation (TDEC) regulations, specifically Rule 1200-05-03-.04(2), requires: "Each person in direct charge at a wastewater treatment plant ... shall hold a certificate in a grade equal to or higher than the grade of the treatment plant ... he or she operates." The grade of the Harpeth Wastewater Cooperative treatment plant is Grade 3; therefore a Grade 3 Operator is required to oversee plant operations. Be it resolved to hire a qualified operator (i.e., a Grade 3 Operator) to work a minimum of 20 hours per week at the plant and report directly to the President. This person shall provide guidance and direction to current plant employees and perform other activities as designated by the President.

Whereas, Tennessee Department of Environment and Conservation (TDEC) regulations, specifically Rule 1200-05-03-.04(2), requires: "Each person in direct charge at a ... wastewater collection system shall hold a certificate in a grade equal to or higher than the grade of the collection system he or she operates." The grade of the Harpeth Wastewater Cooperative wastewater collection system is Grade 2; therefore a Grade 2 Operator is required to oversee the collection system.

Be it resolved that the board authorize the employment of a qualified operator (i.e., a Grade 2 Operator) to work at the plant and report directly to the President. This person shall provide for inspections and maintenance of the collection system as required and perform other activities as designated by the President.

ACTION: (For HWC Staff Use)

By MEMBERSHIP

Date of Action: _____

Votes For: _____

Votes Against: _____

Resolution: _____

Passes / Fails

Berry's Chapel Utility
Board of Directors Meeting Minutes - Special
August 21, 2014

1. CALL TO ORDER AND ATTENDANCE:

- a. Meeting was called to order at 11:30 am with the following in attendance:
(Steve Seger, Tom Moore, Jim Savage, Bill Goodwin, Henry Walker)

Guest: Glen C. Watscon, III (Attorney with DeSha Watsco PLLC)

Absent: Mike Knotts,

2. NOTICE OF THE MEETING:

All present acknowledge notice was properly presented of the meeting.

3. Discussion regarding Legal Issues:

The purpose of the meeting was to understand various options and the process of settling the Loans controlled by the John and Tyler Ring.

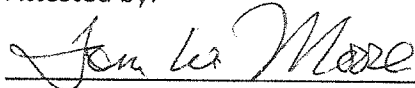
No Action Taken

4. ADJOURNMENT:

Meeting adjourned at 1:00 pm

This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. at the Special Board Meeting on August 21, 2014.

Attested by:



Tom W. Moore

Secretary-Treasurer

Date: 8/23/2014

Berry's Chapel Utility
Board of Directors Meeting Minutes - Special
August 13, 2014

1. CALL TO ORDER AND ATTENDANCE:

- a. Meeting was called to order at 9:00 pm with the following in attendance via conference call
(Steve Seger, Tom Moore, Jim Savage, Bill Goodwin, Kenny Young)

Absent: Mike Knotts,

2. NOTICE OF THE MEETING:

All present acknowledge notice was properly presented of the meeting.

3. Settlement Instructions regarding John and Tyler Ring:

The purpose of the meeting was to provide instruction to Mr. Kenny Young regarding the presentation of Settlement terms to attorney representing Mr. John Ring and Mr. Tyler Ring. After discussion Mr. Seger offered the following resolution

Resolution #: 2014-027

Resolved that BCU Board instruct Mr. Young as follows

- Mr. Young is authorized to provide a copy of the Draft Resolution submitted by Mr. Moore along with the Draft Press Release provided by Mr. Goodwin to attorney representing Mr. John Ring and Mr. Tyler Ring along with a payment offer of \$50,000.
- Settlement requires that ALL loans and liens be removed
- Mr. Young is instructed to bring all counter offers back to the Board
- Mr. Young is to make clear that August 23, 2014 is a hard deadline for executing a settlement. Should the membership act on the present resolution or one of several being prepared by members, it may not be in the Board's power to settle but may be required to act on specific directions of the membership.

Motion: Steve Seger 2nd Bill Goodwin

Approved 4-0

4. ADJOURNMENT:

Meeting adjourned at 9:37 am

This represents the actions of the Board of Directors of Berry's Chapel Utility, Inc. at the Special Board Meeting on August 13, 2014.

Attested by:



Date:

8/13/2014

Tom W. Moore

Secretary-Treasurer

APPENDIX 2

Charter of Berry's Chapel Utility, Inc.

Amendment Log

- | | |
|---------|---|
| 4.16.10 | Initial Charter Filed |
| 3.11.11 | Amendment: Revising Section 6 - Allowing members |
| 3.21.14 | Articles of Correction: Changing Registered Agent, Directors & Officers
Resolution #2014-0003 |
| 7.3.14 | Amendment: Adding Section 14 – Implementing 7 Co-operative Principles
Adding Section 15 – First Member Election of Directors
Resolution #2014-024 |

**CHARTER
OF
BERRY'S CHAPEL UTILITY, INC.**

FILED
STATE OF TENNESSEE
2010 JUL 16 PM 4:08
TIN L. HEST SECT
SECRETARY OF STATE

The undersigned, acting as the incorporator of a corporation under the Tennessee Nonprofit Corporation Act, adopts the following Charter for such corporation:

1. The name of the corporation is Berry's Chapel Utility, Inc.
2. This corporation is a mutual benefit corporation.
3. The initial registered agent for the corporation is Tyler L. Ring whose street address is 321 Billingsly Court, Suite 4, Franklin, Tennessee 37065.
4. The name and address of the incorporator is:

Tyler L. Ring
321 Billingsly Court, Suite 4
Franklin, TN 37065
5. The street address of the principal office of the corporation is 321 Billingsly Court, Suite 4, Franklin, Tennessee 37065.
6. This corporation is not for profit.
7. This corporation is not a religious corporation.
8. This corporation will not have members.
9. This corporation's initial directors and their addresses are:

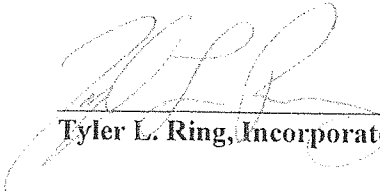
John Ring
321 Billingsly Court, Suite 4
Franklin, TN 37065

Tyler L. Ring
321 Billingsly Court, Suite 4
Franklin, TN 37065

James B. Ford
9679 Aurora Court
Brentwood, TN 37027

10. The purpose of the corporation shall be to own and operate a sanitary sewer collection and treatment system and to engage in any other lawful business.
11. Upon dissolution, after all creditors of the corporation have been paid, its assets shall be distributed to any person, partnership, limited partnership, limited liability company or corporation engaged in the sanitary sewer business or to the State of Tennessee or any county, municipality or political subdivision of the State of Tennessee.
12. To the extent allowed by the laws of the State of Tennessee, no present or future director of the corporation (or his or her estate, heirs and personal representatives) shall be liable to the corporation for monetary damages for breach of fiduciary duty as a director of the corporation. Any liability of a director (or his or her estate, heirs and personal representatives) shall be further eliminated or limited to the fullest extent allowed by the laws of the State of Tennessee, as may hereafter be adopted or amended.
13. With respect to claims or liabilities arising out of service as a director or officer of the corporation, the corporation shall indemnify and advance expenses to each present and future director and officer (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

Dated the 14th day of July, 2010.


Tyler L. Ring, Incorporator

BK/PG:5103/363-365

10024679

CHARTER	
07/27/2010	11:22 AM
BATCH	184116
MIS TAX	0.00
TRN TAX	0.00
REC FEE	5.00
DP FEE	2.00
ARC FEE	0.00
TOTAL	7.00

STATE OF TENNESSEE, WILLIAMSON COUNTY

SADIE WADE
REGISTER OF DEEDS

RECORDED
STATE OF TENNESSEE
2010 JUL 16 PM 4:08
TERRY H. ROBERTS
SECRETARY OF STATE

Branstetter
X



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
312 Rosa L. Parks Avenue
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

Berry's Chapel Utility, Inc.

321 Billingsly Court
Suite 4
Franklin, TN 37065 USA

July 16, 2010

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

Control # :	635712	Formation Locale:	Williamson County
Filing Type:	Corporation Non-Profit - Domestic	Date Formed:	07/16/2010
Filing Date:	07/16/2010 4:08 PM	Fiscal Year Close	12
Status:	Active	Annual Rpt Due:	04/01/2011
Duration Term:	Perpetual	Image # :	6745-2519
Public/Mutual Benefit:	Mutual		

Document Receipt

Receipt # : 221470
Payment-Check/MO - BRANSTETTER STRANCH & JENNINGS, PLLC, NASHVILLE, TN
Filing Fee: \$100.00
\$100.00

Registered Agent Address

Tyler L. Ring
321 Billingsly Court
Suite 4
Franklin, TN 37065 USA

Congratulations on the successful filing of your **Charter** for **Berry's Chapel Utility, Inc.** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett

Tre Hargett, Secretary of State
Business Services Division

Processed By: Cheryl Donnell

**ARTICLES OF AMENDMENT TO THE
CHARTER
OF**

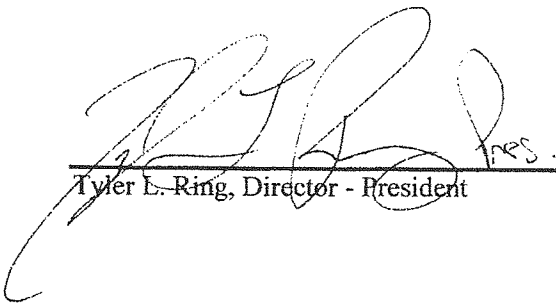
BERRY'S CHAPEL UTILITY, INC.

RECEIVED
STATE OF TENNESSEE
2011 MAR 24 PM 3:45
THE HONORABLE
SECRETARY OF STATE

Pursuant to the provisions of Section 48-60-105 of the Tennessee Nonprofit Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is Berry's Chapel Utility, Inc.
2. The text of the amendment to paragraph 6 of the corporation's charter adopted is:
 6. This corporation will have members.
3. This amendment was duly adopted on March 11, 2011 by the board of directors without members' approval, as such was not required.
4. Additional approval of the amendment by anyone other than the board of directors is not required.

DATED this 11th day of March, 2011.



Tyler L. Ring, Director - President



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: **Berry's Chapel Utility, Inc.**

General Information

SOS Control # : 635712
Filing Type: Corporation Non-Profit - Domestic
Filing Date: 07/16/2010 4:08 PM
Status: Active
Duration Term: Perpetual
Public/Mutual Benefit: Public

Formation Locale: TENNESSEE
Date Formed: 07/16/2010
Fiscal Year Close 12

Registered Agent Address

MIKE KNOTTS
STE 203A
106 MISSION CT
FRANKLIN, TN 37067-6441

Principal Address

STACY CROUCH
STE 203A
106 MISSION CT
FRANKLIN, TN 37067-6441

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
07/03/2014	Articles of Amendment	7359-0504
04/15/2014	Assumed Name	7330-2133
	New Assumed Name Changed From: No Value To: HARPETH WASTEWATER COOPERATIVE	
04/11/2014	Articles of Correction	7328-2074
	Registered Agent First Name Changed From: TYLER To: MIKE	
	Registered Agent Last Name Changed From: RING To: KNOTTS	
	Registered Agent Middle Name Changed From: L. To: No Value	
03/25/2014	2013 Annual Report	7310-0341
	Principal Address 3 Changed From: LAURA MORRISSEY To: STACY CROUCH	
03/21/2013	2012 Annual Report	7171-0842
	Principal Address 1 Changed From: 321 BILLINGSLEY CT To: 106 MISSION CT	
	Principal Address 2 Changed From: STE 4 To: STE 203A	
	Principal Address 3 Changed From: No value To: LAURA MORRISSEY	
	Principal Postal Code Changed From: 37067-6445 To: 37067-6441	
	Registered Agent Physical Address 1 Changed From: 321 BILLINGSLEY CT To: 106 MISSION CT	
	Registered Agent Physical Address 2 Changed From: STE 4 To: STE 203A	
	Registered Agent Physical Postal Code Changed From: 37067-6445 To: 37067-6441	

7/14/2014 10:37:47 AM



Harpeth Wastewater Cooperative

(615) 764-0074 106 Mission Court Suite 203A Franklin, TN 37067

STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Attn: Certification

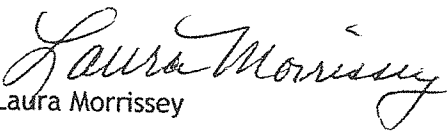
Image # 6857-1015

I would like to get a copy of 3/24/2011 Articles of Amendment.

Enclosed is our \$20.00 check.

If you have any questions please call me at the above number.

Thank You,



Laura Morrissey

Berry's Chapel Utility, Inc. dba Harpeth Wastewater Cooperative
615/764-0074



Tennessee Corporation Annual Report Form

AR Filing #: 04139622

SUBMISSION PENDING

File online at: <http://TNBear.TN.gov/AR>

Due on/Before: 04/01/2014

Reporting Year: 2013

Return completed form within 30 days to:

Tennessee Secretary of State

Attn: Annual Reports

William R. Snodgrass Tower

312 Rosa L. Parks AVE, 6th FL

Nashville, TN 37243-1102

Annual Report Filing Fee Due:

\$20 if no changes are made in block 3 to the registered agent/office, or
\$40 if any changes are made in block 3 to the registered agent/office

SOS Control Number: 635712

Corporation Non-Profit - Domestic

Date Formed: 07/16/2010

Formation Locale: TENNESSEE

(1) Name and Mailing Address:

Berry's Chapel Utility, Inc.

STACY CROUCH

STE 203A

106 MISSION CT

FRANKLIN, TN 37067-6441

(2) Principal Office Address:

STACY CROUCH

STE 203A

106 MISSION CT

FRANKLIN, TN 37067-6441

(3) Registered Agent (RA) and Registered Office (RO) Address:

TYLER L. RING

STE 203A

106 MISSION CT

FRANKLIN, TN 37067-6441

Agent Changed: No

Agent County: WILLIAMSON COUNTY

(4) Name and business address (with zip code) of the President, Secretary and other principal officers.

Title	Name	Business Address	City, State, Zip
President	Tyler L Ring	106 MISSION CT SUITE 203A	FRANKLIN, TN 37067
Secretary	James B Ford	106 MISSION CT SUITE 203A	FRANKLIN, TN 37067
Vice President	John D Ring	106 MISSION CT SUITE 203A	FRANKLIN, TN 37067

(5) Board of Directors names and business address (with zip code). None, or listed below.

Name	Business Address	City, State, Zip
Tyler L Ring	106 MISSION CT SUITE 203A	FRANKLIN, TN 37067
John D Ring	106 MISSION CT SUITE 203A	FRANKLIN, TN 37067
James B Ford	106 MISSION CT SUITE 203A	FRANKLIN, TN 37067

(6) This section applies to non-profit corporations ONLY.

A. Our records reflect that your non-profit corporation is a public benefit or a mutual benefit corporation as indicated.

If blank or incorrect, please check appropriately: X Public MutualB. If a Tennessee religious corporation, please check here if blank: Religious(7) Signature: 

(8) Date: 3.21.14

(9) Type/Print Name: STACY CROUCH

(10) Title: Billing Clerk

Instructions: Legibly complete the form above. Enclose a check made payable to the Tennessee Secretary of State in the amount of \$20.00. Sign and date this form and return to the address provided above.

(3) Registered Agent (RA) and Registered Office (RO) Address:

Mike Knotts

Agent Changed: YES

106 Mission Court, Suite 203A, Franklin, TN 37067

Agent County: Williamson County

(4) Name & business address (with zip code) of the President, Secretary and other principal officers

Title	Name	Business Address
President	Mike Knotts	106 Mission Court, Suite 203A, Franklin, TN 37067
Vice President	Steve Seger	106 Mission Court, Suite 203A, Franklin, TN 37067
Secr/Treas	Tom Moore	106 Mission Court, Suite 203A, Franklin, TN 37067

(5) Board of Directors names and business address (with zip code)

Name	Business Address
Mike Knotts	106 Mission Court, Suite 203A, Franklin, TN 37067
Steve Seger	106 Mission Court, Suite 203A, Franklin, TN 37067
Tom Moore	106 Mission Court, Suite 203A, Franklin, TN 37067
William Goodwin	106 Mission Court, Suite 203A, Franklin, TN 37067
James Savage	106 Mission Court, Suite 203A, Franklin, TN 37067

State of Tennessee



Department of State
Corporate Filings
312 Rosa L. Parks Ave.
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

For Office Use Only

ARTICLES OF CORRECTION

Pursuant to the provisions of Section 48-1-305 of the Tennessee Business Corporation Act or Section 48-51-305 of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:

1. The name of the corporation is BERRY'S CHAPEL UTILITY INC.

2. Please mark the sentence below which **applies**.

☒ A copy of the incorrect document (as filed) is attached.

☐ A description of the incorrect document (including its filing date) is given here:

TENNESSEE CORPORATION ANNUAL REPORT FORM
FILED 3-21-2014

3. If the document is incorrect because of incorrect statement(s), enter the incorrect statement(s) and the reason(s) it/they is/are incorrect:

THE NAMES OF THE BOARD OF DIRECTORS & OFFICERS.
NEW DIRECTORS & OFFICERS HAVE BEEN ELECTED
SINCE THIS REPORT WAS FILED. NEW REGISTERED AGENT.

4. The correct statement(s) is/are:

PLEASE SEE ATTACHED.

5. If the document is incorrect because of a defective execution, state the manner in which the execution was defective:

N/A

6. The correct execution should be:

N/A

8 APR 14
Signature Date

BILLING CLERK
Signer's Capacity

BERRY'S CHAPEL UTILITY INC.
Name of Corporation

[Signature]
Signature

STACY CROUCH
Name (typed or printed)

FILED

**ARTICLES OF AMENDMENT TO THE CHARTER
OF
BERRY'S CHAPEL UTILITY, INC.**

Pursuant to the provisions of Section 48-60-105 of the Tennessee Nonprofit Corporation Act, the undersigned corporation adopts the following articles of amendment to the corporate charter of Berry's Chapel Utility, Inc.:

1. The name of the corporation is Berry's Chapel Utility, Inc. SOS Control Number 635712.
2. This amendment is to be effective when filed by the Secretary of State.
3. The following sections shall be added to the Charter:
14. The Corporation shall utilize the seven co-operative principles and definition of a co-operative, and use them as guidelines by which the Corporation shall put its values into practice.

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Co-operative principles:

1. Voluntary and Open Membership
 2. Democratic Member Control
 3. Member Economic Participation
 4. Autonomy and Independence
 5. Education, Training and Information
 6. Co-operation among Co-operatives
 7. Concern for Community
15. The Corporation held its first election of directors from within the membership on March 13, 2014, at a special called meeting of the members. All directors henceforth shall be elected by the members, either at a special or annual meeting, excepting cases of vacancies of directors in which case the bylaws of the Corporation shall describe a method of replacement until the next special or annual meeting of the members.
4. The Amendment is to be effective when filed by the Secretary of State.
 5. The corporation is a nonprofit corporation.
 6. The amendments were duly adopted on the 13th day of March 2014, by the membership.
 7. Additional approval for the amendment (as permitted by §48-60-301 of the Tennessee Nonprofit Corporation Act) was not required.

IN WITNESS WHEREOF, the undersigned, having capacity to contract and acting as the Chairman of the board of directors under the Tennessee Nonprofit Corporation Act, Tennessee Code Annotated, §48-51-101, et seq., has amended the Charter for Berry's Chapel Utility, Inc. on this the 3rd day of July 2014.



Michael Knotts, Chairman



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Berry's Chapel Utility, Inc.
STACY CROUCH
STE 203A
106 MISSION CT
FRANKLIN, TN 37067-6441

July 3, 2014

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

Control # : 635712 Status: Active

Filing Type: Corporation Non-Profit - Domestic

Document Receipt

Receipt # : 1567735

Filing Fee: \$20.00

Payment-Check/MO - BUERGER, MOSELEY AND CARSON, PLC, FRANKLIN, TN

\$20.00

Amendment Type: Articles of Amendment

Image # : 7359-0504

Filed Date: 07/03/2014 2:21 PM

This will acknowledge the filing of the attached articles of amendment with an effective date as indicated above. When corresponding with this office or submitting documents for filing, please refer to the control number given above.

You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee.

Processed By: Tammy Morris


Tre Hargett
Secretary of State



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: **Berry's Chapel Utility, Inc.**

General Information

SOS Control # : 635712
Filing Type: Corporation Non-Profit - Domestic
Filing Date: 07/16/2010 4:08 PM
Status: Active
Duration Term: Perpetual
Public/Mutual Benefit: Public
Formation Locale: TENNESSEE
Date Formed: 07/16/2010
Fiscal Year Close: 12

Registered Agent Address

MIKE KNOTTS
STE 203A
106 MISSION CT
FRANKLIN, TN 37067-6441

Principal Address

STACY CROUCH
STE 203A
106 MISSION CT
FRANKLIN, TN 37067-6441

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
04/15/2014	Assumed Name New Assumed Name Changed From: No Value To: HARPETH WASTEWATER COOPERATIVE	7330-2133
04/11/2014	Articles of Correction Registered Agent First Name Changed From: TYLER To: MIKE Registered Agent Last Name Changed From: RING To: KNOTTS Registered Agent Middle Name Changed From: L. To: No Value	7328-2074
03/25/2014	2013 Annual Report Principal Address 3 Changed From: LAURA MORRISSEY To: STACY CROUCH	7310-0341
03/21/2013	2012 Annual Report Principal Address 1 Changed From: 321 BILLINGSLEY CT To: 106 MISSION CT Principal Address 2 Changed From: STE 4 To: STE 203A Principal Address 3 Changed From: No value To: LAURA MORRISSEY Principal Postal Code Changed From: 37067-6445 To: 37067-6441 Registered Agent Physical Address 1 Changed From: 321 BILLINGSLEY CT To: 106 MISSION CT Registered Agent Physical Address 2 Changed From: STE 4 To: STE 203A Registered Agent Physical Postal Code Changed From: 37067-6445 To: 37067-6441	7171-0842
01/07/2013	Mailing Address Update	
4/23/2014 9:29:22 AM		

Filing Information

Name: **Berry's Chapel Utility, Inc.**

12/21/2012	Mailing Address Update	
02/22/2012	2011 Annual Report	6998-3127
	Principal Address 1 Changed From: 321 BILLINGSLEY COURT To: 321 BILLINGSLEY CT	
	Principal Address 2 Changed From: SUITE 4 To: STE 4	
	Principal Postal Code Changed From: 37065 To: 37067-6445	
	Principal County Changed From: No value To: WILLIAMSON COUNTY	
03/24/2011	Articles of Amendment	6857-1015
03/01/2011	2010 Annual Report	6839-2317
	Public Benefit Changed From: Mutual To: Public	
08/20/2010	Merger - Survivor (Delayed Date 09/01/2010)	6759-0426
	Qualified Survivor Control # Changed To: 000635712	
	Qualified Survivor Changed To: Berry's Chapel Utility, Inc. (Williamson County)	
	Qualified Non-survivor Control # Changed To: 000294370	
	Qualified Non-survivor Changed To: LYNWOOD UTILITY CORPORATION (Williamson County)	
07/16/2010	Initial Filing	6745-2519

Active Assumed Names (if any)

<u>HARPETH WASTEWATER COOPERATIVE</u>	<u>Date</u>	<u>Expires</u>
	04/15/2014	04/15/2019

APPENDIX 3



Harpeth Wastewater Cooperative

(615) 764-0074 106 Mission Court Suite 203A Franklin, TN 37067 www.harpethcoop.com

Dear New Customer,

Welcome to Harpeth Wastewater Cooperative, formerly Berry's Chapel Utility, Inc. HWC provides wastewater treatment services for the Cottonwood, River Landing, Legends Ridge Subdivisions and surrounding areas.

Attached you will find a Service and Membership Agreement. Please complete this form and return to Harpeth Wastewater Cooperative at 106 Mission Court, Suite 203-A, so that we may set-up your account.

Please feel free to contact us at the above phone number, if you have any questions.

We look forward to serving you.

Sincerely,

Harpeth Wastewater Cooperative



Harpeth Wastewater Cooperative

Application for Membership

Date of Application: _____

Name: _____

Service Address: _____

Subdivision: _____

Mailing Address: _____
(if different than service)

Owner's Name/Address: _____
(if applicant is a tenant)

Email: _____ Phone: _____

Please check:

☐

I am a current sewer customer of Harpeth Wastewater Cooperative, and wish to become a member, which entitles me to all the rights and privileges afforded a member of a non-profit corporation under Tennessee law.

Signature: _____



Harpeth Wastewater Cooperative

Service and Membership Agreement

Date of Application: _____ Subdivision: _____

Name: _____

Service Address: _____

Mailing Address: _____
(if different than service)

Email: _____ Phone: _____

Date Service Begins: _____

Owner's Name/Address: _____
(if applicant is a tenant)

All customers are entitled to membership. Membership entitles you to vote. Membership is not required by law and does not make you financially liable according to State of Tennessee Statutes. If you desire to opt out of membership, please check the box below.

☐ I do not wish to become a member.

The undersigned hereby makes application for sewer service and agrees to pay for said service, as measured by the customers water usage reading provided to Harpeth by the customer's water utility, in accordance with the applicable rates and charges as specified in Harpeth's rate schedule for the above account and any account. All rates and operating regulations of Harpeth Wastewater Cooperative are set by the Tennessee Regulatory Authority. Per the tariff, Harpeth and any contracted water utilities may terminate water service for the nonpayment of Harpeth sewer charges to enforce collection of said charges. The member agrees to allow right of access to Harpeth or its agent(s) on the member's premises at all reasonable times and for necessary purposes. I assume responsibility of service beginning from connection date or until Harpeth is properly notified of cancellation of service, that all billings rendered by said company shall be due and payable as per the bill. Failure to receive a bill does not release a customer from payment obligations. The member shall pay all collections expenses, attorney fees and court costs if payment is delinquent due to fraud, default or failure to perform the obligations incurred ad set forth in this agreement. It is agreed by the customer and Harpeth that this contract shall apply to the original address of the member and to all future addresses of the member. A husband and wife receiving service in the same residence shall have a joint membership. Information submitted to Harpeth in this service agreement is correct and true to the best of my knowledge and belief.

Signature: _____
By signing above, I agree to the terms and conditions as listed. Date

Received by: _____
Harpeth Wastewater Cooperative Representative Date

APPENDIX 4

P.O. BOX 1667
FRANKLIN, TN 37065-1667
Phone: 615/764-0074

ACCOUNT NUMBER	30760000-97
SERVICE ADDRESS	229 CHAPELWOOD DR
BILLING DATE	05/01/2014 THRU 06/02/2014
NET AMOUNT DUE	\$ 62.49
GROSS AMOUNT AFTER 07/01/2014	\$ 68.74

Messages

Please plan now to attend:
Harpeth Wastewater Cooperative Annual Meeting
August 23, 2014, 10 AM
Berry's Chapel Church of Christ

Membership entitles you to VOTE. All customers are entitled to membership. Simply complete an application and you will join. Membership does NOT make you financially liable according to State of Tennessee Statutes.

T1 P1 *****SNGLP
##-0001-##-1-3-3-1
ERIK & AMY RASMUSSEN
229 CHAPELWOOD DR
FRANKLIN TN 37069-6614

Office Hours
Monday - Friday
8:00 AM - 4:00 PM

Make Check
payable to HWC

Auto Bank
Draft not available
at this time

SERVICE	PREVIOUS READING	CURRENT READING	USAGE	CODE	CHARGES
PREVIOUS BALANCE					60.58
PAYMENT RECEIVED					-60.58
Sewer-H	571800	576900	5100	RES	62.49
					NET AMOUNT DUE
SERVICE ADDRESS		STATEMENT DATE	06/12/14		\$ 62.49
229 CHAPELWOOD DR		ACCOUNT NO.	30760000-97		
		GROSS DUE AFTER 07/01/2014	\$ 68.74		

NO SECOND NOTICE WILL BE SENT.

Please request membership by providing your email address and returning this portion in addition to your remittance stub with your payment.
I request membership in HWC.
My email address is: _____
Phone Number (required): _____

The Customer Charge is \$30.00
The Sewer Fee is calculated at \$6.37 per 1000 gallons.
The Return Check Fee is \$20.00

RETURN PORTION

PLEASE ALLOW FIVE (5) DAYS FOR RECEIPT OF PAYMENT WHEN MAILING OR USING ONLINE BANKING

TO CHANGE YOUR MAILING ADDRESS, PLEASE FILL IN YOUR NEW ADDRESS BELOW

Name: _____

Address: _____

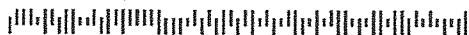
City: _____ State: _____ Zip: _____

MAIL / MAKE CHECK PAYABLE TO:

ACCOUNT NUMBER	30760000-97
SERVICE ADDRESS	229 CHAPELWOOD DR
BILLING DATE	05/01/2014 THRU 06/02/2014
NET AMOUNT DUE	\$ 62.49
GROSS AMOUNT AFTER 07/01/2014	\$ 68.74
AMOUNT PAID	\$

HARPETH WASTEWATER COOPERATIVE
PO BOX 1667
FRANKLIN, TN 37065-1667

ERIK & AMY RASMUSSEN
229 CHAPELWOOD DR
FRANKLIN TN 37069-6614



30760000

62.49

HARPETH WASTEWATER COOPERATIVE

P.O. BOX 1667
FRANKLIN, TN 37065-1667
Phone: 615/764-0074

|||||
T1 P1 *****SNGLP
##-0001-##-1-3-3-1
ERIK & AMY RASMUSSEN
229 CHAPELWOOD DR
FRANKLIN TN 37069-6614

ACCOUNT NUMBER	30760000-97
SERVICE ADDRESS	229 CHAPELWOOD DR
BILLING DATE	06/02/2014 THRU 07/01/2014
NET AMOUNT DUE	\$ 51.02
GROSS AMOUNT AFTER 08/01/2014	\$ 56.12

Messages

Please plan now to attend:

Harpeth Wastewater Cooperative Annual Meeting
August 23, 2014, 10 AM
Berry's Chapel Church of Christ

Membership entitles you to VOTE.
All customers are entitled to membership.
Please visit our website, www.harpethcoop.com to join.
Membership does NOT make you financially liable according to
State of Tennessee Statutes.

Office Hours
Monday - Friday
8:00 AM - 4:00 PM

Make Check
payable to HWC

Auto Bank
Draft not available
at this time

SERVICE	PREVIOUS READING	CURRENT READING	USAGE	CODE	CHARGES
PREVIOUS BALANCE					62.49
PAYMENT RECEIVED					-62.49
Sewer-H	576900	580200	3300	RES	51.02
NET AMOUNT DUE					
SERVICE ADDRESS		STATEMENT DATE	07/28/14		
229 CHAPELWOOD DR		ACCOUNT NO.	30760000-97		
		GROSS DUE AFTER 08/01/2014	\$ 56.12		
			\$ 51.02		

NO SECOND NOTICE WILL BE SENT.

Did you know? More than 45% of water use in the average home occurs in the bathroom, with nearly 27% being used by toilets. Older toilets can use 3.5 to 7 gallons of water per flush. Replacing an older toilet with a new low-flow toilet using 1.6 gallons of water per flush can greatly reduce your water usage & your sewer bill.

The Customer Charge is \$30.00
The Residential Sewer Fee is calculated at \$6.37 per 1000 gallons.
The Return Check Fee is \$20.00

Visit our new website: www.harpethcoop.com

RETURN PORTION

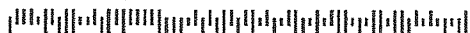
PLEASE ALLOW FIVE (5) DAYS FOR RECEIPT OF PAYMENT WHEN MAILING OR USING ONLINE BANKING

TO CHANGE YOUR MAILING ADDRESS, PLEASE FILL IN YOUR NEW ADDRESS BELOW

Name: _____
Address: _____
City: _____ State: _____ Zip: _____

MAIL / MAKE CHECK PAYABLE TO:

HARPETH WASTEWATER COOPERATIVE
PO BOX 1667
FRANKLIN, TN 37065-1667



ACCOUNT NUMBER	30760000-97
SERVICE ADDRESS	229 CHAPELWOOD DR
BILLING DATE	06/02/2014 THRU 07/01/2014
NET AMOUNT DUE	\$ 51.02
GROSS AMOUNT AFTER 08/01/2014	\$ 56.12
AMOUNT PAID	\$

ERIK & AMY RASMUSSEN
229 CHAPELWOOD DR
FRANKLIN TN 37069-6614



30760000

51.02

HARPETH WASTEWATER COOPERATIVE

P.O. BOX 1667
FRANKLIN, TN 37065-1667
Phone: 615/764-0074

T1 P1 *****SNGLP
##-0001-##-1-3-3-1
ERIK & AMY RASMUSSEN
229 CHAPELWOOD DR
FRANKLIN TN 37069-6614

ACCOUNT NUMBER	30760000-97
SERVICE ADDRESS	229 CHAPELWOOD DR
BILLING DATE	07/01/2014 THRU 08/01/2014
NET AMOUNT DUE	\$ 51.02
GROSS AMOUNT AFTER 08/01/2014	\$ 56.12

Messages

Please plan now to attend:

Harpeth Wastewater Cooperative Annual Member Meeting
August 23, 2014, 10 AM
Berry's Chapel Church of Christ - follow signs

Membership entitles you to VOTE.
All customers are entitled to membership.
Please visit our website, www.harpethcoop.com to join.
Membership does NOT make you financially liable according to
State of Tennessee Statutes.

Office Hours
Monday - Friday
8:00 AM - 4:00 PM

Make Check
payable to HWC

Auto Bank
Draft not available
at this time

SERVICE	PREVIOUS READING	CURRENT READING	USAGE	CODE	CHARGES
PREVIOUS BALANCE					51.02
PAYMENT RECEIVED					-51.02
Sewer-H	580200	583500	3300	RES	51.02
NET AMOUNT DUE					
SERVICE ADDRESS		STATEMENT DATE	08/12/14		
229 CHAPELWOOD DR		ACCOUNT NO.	30760000-97		
		GROSS DUE AFTER 08/01/2014	\$ 56.12		
			\$ 51.02		

NO SECOND NOTICE WILL BE SENT.

If you are planning on attending the annual meeting of members and are currently not a member, please visit our website to join. The doors will open at 9:00 am, with check-in & registration till 10:00 am. We look forward to seeing you!

The Customer Charge is \$30.00.
The Residential Sewer Fee is calculated at \$6.37 per 1000 gallons.
The Return Check Fee is \$20.00

Visit our new website: www.harpethcoop.com

RETURN PORTION

PLEASE ALLOW FIVE (5) DAYS FOR RECEIPT OF PAYMENT WHEN MAILING OR USING ONLINE BANKING

TO CHANGE YOUR MAILING ADDRESS, PLEASE FILL IN YOUR NEW ADDRESS BELOW

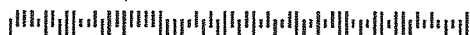
Name: _____

Address: _____

City: _____ State: _____ Zip: _____

MAIL / MAKE CHECK PAYABLE TO:

HARPETH WASTEWATER COOPERATIVE
PO BOX 1667
FRANKLIN, TN 37065-1667



ACCOUNT NUMBER	30760000-97
SERVICE ADDRESS	229 CHAPELWOOD DR
BILLING DATE	07/01/2014 THRU 08/01/2014
NET AMOUNT DUE	\$ 51.02
GROSS AMOUNT AFTER 08/01/2014	\$ 56.12
AMOUNT PAID	\$

ERIK & AMY RASMUSSEN
229 CHAPELWOOD DR
FRANKLIN TN 37069-6614



30760000

51.02

**HARPETH WASTEWATER
COOPERATIVE**

P.O. BOX 1667
FRANKLIN, TN 37065-1667
Phone: 615/764-0074

|||||
T1 P1 *****SNGLP
##-0001-##-1-98-98-2
Oeltmann, Thomas
47 SAMOSET RD
ROCKLAND ME 04841-2548

ACCOUNT NUMBER	20819200-97
SERVICE ADDRESS	158 COTTONWOOD DR
BILLING DATE	04/14/2014 THRU 04/28/2014
NET AMOUNT DUE	\$ 37.64
GROSS AMOUNT AFTER 06/20/2014	\$ 41.40

Messages

Please plan now to attend:
Harpeth Wastewater Cooperative Annual Meeting
August 23, 2014, 10 AM
Berry's Chapel Church of Christ

Membership entitles you to VOTE. All customers are entitled to membership. Simply complete an application and you will join. Membership does NOT make you financially liable according to State of Tennessee Statutes.

Office Hours Monday - Friday 8:00 AM - 4:00 PM
Make Check payable to HWC
Auto Bank Draft not available at this time

SERVICE	PREVIOUS READING	CURRENT READING	USAGE	CODE	CHARGES
PREVIOUS BALANCE					33.32
Sewer-H	438500	439700	1200	RES	37.64
					NET AMOUNT DUE
SERVICE ADDRESS			STATEMENT DATE	05/30/14	\$ 37.64
158 COTTONWOOD DR			ACCOUNT NO.	20819200-97	
			GROSS DUE AFTER 06/20/2014	\$ 41.40	

NO SECOND NOTICE WILL BE SENT.

Please request membership by providing your email address and returning this portion in addition to your remittance stub with your payment.

I request membership in HWC. My email address is: _____

RETURN PORTION

PLEASE ALLOW FIVE (5) DAYS FOR RECEIPT OF PAYMENT WHEN MAILING OR USING ONLINE BANKING

TO CHANGE YOUR MAILING ADDRESS, PLEASE FILL IN YOUR NEW ADDRESS BELOW

Name: _____
Address: _____
City: _____ State: _____ Zip: _____

MAIL / MAKE CHECK PAYABLE TO:

HARPETH WASTEWATER COOPERATIVE
PO BOX 1667
FRANKLIN, TN 37065-1667

Oeltmann, Thomas
47 SAMOSET RD
ROCKLAND ME 04841-2548

ACCOUNT NUMBER	20819200-97
SERVICE ADDRESS	158 COTTONWOOD DR
BILLING DATE	04/14/2014 THRU 04/28/2014
NET AMOUNT DUE	\$ 37.64
GROSS AMOUNT AFTER 06/20/2014	\$ 41.40
AMOUNT PAID	\$



20819200

37.64

**HARPETH WASTEWATER
COOPERATIVE**

P.O. BOX 1667
FRANKLIN, TN 37065-1667
Phone: 615/764-0074

|||||
T1 P1 *****SNGLP
##-0001-##-1-217-217-1
PARMAN, MIKE
813 REGENCY DR
CHARLOTTE NC 28211-5420

ACCOUNT NUMBER	20842600-95
SERVICE ADDRESS	133 COTTONWOOD CR
BILLING DATE	05/13/2014 THRU 06/12/2014
NET AMOUNT DUE	\$ 32.05
GROSS AMOUNT AFTER 07/20/2014	\$ 35.26

Messages

Office Hours Monday - Friday 8:00 AM - 4:00 PM
Make Check payable to HWC
Auto Bank Draft not available at this time

SERVICE	PREVIOUS READING	CURRENT READING	USAGE	CODE	CHARGES
PREVIOUS BALANCE					37.18
PAYMENT RECEIVED					-37.18
BILLING ADJ FACILITY CHG					-22.16
Sewer-H	255500	259300	3800	RES	54.21
					NET AMOUNT DUE
SERVICE ADDRESS		STATEMENT DATE		07/01/14	
133 COTTONWOOD CR		ACCOUNT NO.		20842600-95	
		GROSS DUE AFTER 07/20/2014		\$ 35.26	
				\$ 32.05	

NO SECOND NOTICE WILL BE SENT.

RETURN PORTION

PLEASE ALLOW FIVE (5) DAYS FOR RECEIPT OF PAYMENT WHEN MAILING OR USING ONLINE BANKING

TO CHANGE YOUR MAILING ADDRESS, PLEASE FILL IN YOUR NEW ADDRESS BELOW

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

MAIL / MAKE CHECK PAYABLE TO:

HARPETH WASTEWATER COOPERATIVE
PO BOX 1667
FRANKLIN, TN 37065-1667

PARMAN, MIKE
813 REGENCY DR
CHARLOTTE NC 28211-5420

ACCOUNT NUMBER	20842600-95
SERVICE ADDRESS	133 COTTONWOOD CR
BILLING DATE	05/13/2014 THRU 06/12/2014
NET AMOUNT DUE	\$ 32.05
GROSS AMOUNT AFTER 07/20/2014	\$ 35.26
AMOUNT PAID	\$



20842600

32.05

**HARPETH WASTEWATER
COOPERATIVE**

P.O. BOX 1667
FRANKLIN, TN 37065-1667
Phone: 615/764-0074

|||||
T1 P1 *****SNGLP
##-0001-##-1-105-105-1
TERESA BORUM
2211 A OSBURN RD
ARRINGTON TN 37014-9702

ACCOUNT NUMBER	20820200-94
SERVICE ADDRESS	1206 GILLETTE CT
BILLING DATE	06/13/2014 THRU 07/14/2014
NET AMOUNT DUE	\$ 40.83
GROSS AMOUNT AFTER 08/20/2014	\$ 44.91

Messages

Please plan now to attend:

Harpeth Wastewater Cooperative Annual Member Meeting
August 23, 2014, 10 AM
Berry's Chapel Church of Christ - follow signs

Membership entitles you to VOTE.

All customers are entitled to membership.

Please visit our website, www.harpethcoop.com to join.

Membership does NOT make you financially liable according to
State of Tennessee Statutes.

Office Hours
Monday - Friday
8:00 AM - 4:00 PM

Make Check
payable to HWC

Auto Bank
Draft not available
at this time

SERVICE	PREVIOUS READING	CURRENT READING	USAGE	CODE	CHARGES
PREVIOUS BALANCE					50.38
PAYMENT RECEIVED					-50.38
Sewer-H	117800	119500	1700	RES	40.83
NET AMOUNT DUE					
SERVICE ADDRESS			STATEMENT DATE	07/31/14	
1206 GILLETTE CT			ACCOUNT NO.	20820200-94	\$ 40.83
			GROSS DUE AFTER 08/20/2014		\$ 44.91

NO SECOND NOTICE WILL BE SENT.

If you are planning on attending the annual meeting of members and are currently not a member, please visit our website to join. The doors will open at 9:00 am, with check-in & registration till 10:00 am. We look forward to seeing you!

The Customer Charge is \$30.00

The Residential Sewer Fee is calculated at \$6.37 per 1000 gallons.

The Return Check Fee is \$20.00

Visit our new website: www.harpethcoop.com

RETURN PORTION

PLEASE ALLOW FIVE (5) DAYS FOR RECEIPT OF PAYMENT WHEN MAILING OR USING ONLINE BANKING

TO CHANGE YOUR MAILING ADDRESS, PLEASE FILL IN YOUR NEW ADDRESS BELOW

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

MAIL / MAKE CHECK PAYABLE TO:

HARPETH WASTEWATER COOPERATIVE
PO BOX 1667
FRANKLIN, TN 37065-1667

TERESA BORUM
2211 A OSBURN RD
ARRINGTON TN 37014-9702

ACCOUNT NUMBER	20820200-94
SERVICE ADDRESS	1206 GILLETTE CT
BILLING DATE	06/13/2014 THRU 07/14/2014
NET AMOUNT DUE	\$ 40.83
GROSS AMOUNT AFTER 08/20/2014	\$ 44.91
AMOUNT PAID	\$



20820200

40.83

**HARPETH WASTEWATER
COOPERATIVE**

P.O. BOX 1667
FRANKLIN, TN 37065-1667
Phone: 615/764-0074

|||||
T1 P1 *****SNGLP
##-0001-##-1-105-105-1
TERESA BORUM
2211 A OSBURN RD
ARRINGTON TN 37014-9702

ACCOUNT NUMBER	20820200-94
SERVICE ADDRESS	1206 GILLETTE CT
BILLING DATE	07/14/2014 THRU 08/13/2014
NET AMOUNT DUE	\$ 39.56
GROSS AMOUNT AFTER 09/20/2014	\$ 43.52

Messages

Thank you to all who attended the Annual Meeting of the Members. The Board of Directors would like to thank the members for their vote of confidence. We intend to continue serving HWC with the highest integrity.

Membership entitles you to VOTE.
All customers are entitled to membership.
Please visit our website, www.harpethcoop.com to join.
Membership does NOT make you financially liable according to State of Tennessee Statutes.

Office Hours
Monday - Friday
8:00 AM - 4:00 PM

Make Check
payable to HWC

Auto Bank
Draft not available
at this time

SERVICE	PREVIOUS READING	CURRENT READING	USAGE	CODE	CHARGES
PREVIOUS BALANCE					40.83
PAYMENT RECEIVED					-40.83
Sewer-H	119500	121000	1500	RES	39.56
NET AMOUNT DUE					
SERVICE ADDRESS		STATEMENT DATE		08/27/14	
1206 GILLETTE CT		ACCOUNT NO.		20820200-94	
		GROSS DUE AFTER 09/20/2014		\$ 43.52	
				\$ 39.56	

NO SECOND NOTICE WILL BE SENT

A \$4.50 per month Capital Improvement Surcharge begins on your October bill. These funds will be set apart in an account to be used only for capital improvements & repairs at our sewer plant, and has been approved by the State. This charge will expire after 24 months.

The Customer Charge is \$30.00
The Residential Sewer Fee is calculated at \$6.37 per 1000 gallons.
The Capital Improvement Surcharge is \$4.50

Visit our new website: www.harpethcoop.com
Pay on time - Your payments are due by the 20th of each month.
The Return Check Fee is \$20.00

RETURN PORTION

PLEASE ALLOW FIVE (5) DAYS FOR RECEIPT OF PAYMENT WHEN MAILING OR USING ONLINE BANKING

TO CHANGE YOUR MAILING ADDRESS, PLEASE FILL IN YOUR NEW ADDRESS BELOW

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

MAIL / MAKE CHECK PAYABLE TO:

HARPETH WASTEWATER COOPERATIVE
PO BOX 1667
FRANKLIN, TN 37065-1667

TERESA BORUM
2211 A OSBURN RD
ARRINGTON TN 37014-9702

ACCOUNT NUMBER	20820200-94
SERVICE ADDRESS	1206 GILLETTE CT
BILLING DATE	07/14/2014 THRU 08/13/2014
NET AMOUNT DUE	\$ 39.56
GROSS AMOUNT AFTER 09/20/2014	\$ 43.52
AMOUNT PAID	\$



20820200

39.56



HISTORIC
FRANKLIN
TENNESSEE

109 3rd Ave South • (615) 794-4572
Office hours: 8:00-5:00 Monday - Friday
www.franklintn.gov

Name: LYNWOOD UTILITY CORP
Service Add: MENTELLE
Account Number: 071-01358-01
Bill Date: 8/15/14
Service Period: 6/18/2014 - 7/17/2014
Total Due: \$24.26
Pay after 8/30/14: \$26.48

The City of Franklin offices will be closed on September 1, 2014 in observance of Labor Day.

Refer to www.franklintn.gov
<<http://www.franklintn.gov>> to obtain the latest news of City events.

Please plan to attend the:
Harpeth Wastewater Cooperative
Annual Member Meeting
Saturday, August 23, 2014
Berry's Chapel Church of Christ

Registration begins at 9am

Meeting begins at 10am

For VOTING privileges, you may pre-register your Membership at www.harpethcoop.com

If bill remains unpaid, service may be disconnected without further notice. There will be a \$20 service charge on all returned checks. Failure to receive a bill will not release customer from payment obligation. Payment may be made by: Return mail, automatic bank draft, in person, after-hours drop box located on 2nd Ave South, online at city website www.franklintn.gov or automated voice response system. A convenience fee will be applied when using the website or the automated voice system.

PREVIOUS READ	PRESENT READ	GALLONS USED	SERVICE TYPE	CHARGES
0	0	0	Water	22.21
			Sales Tax	2.05
Total				24.26

Payment may be made by: Return mail, Automatic bank draft, In person, After-hours drop box located on 2nd Ave South, Online at www.franklintn.gov or automated voice response system at **1-866-696-1916**. A convenience fee will be applied when using the website or automated voice response system.

Address sewer related questions to Harpeth Wastewater Cooperative
106 Mission Court, Suite 203A, Franklin, TN 37067
Phone: (615) 764-0074

Please detach and return the lower portion with your payment or bring the entire bill when paying in person.

HARPETH WASTEWATER COOPERATIVE

P.O. BOX 1667
FRANKLIN, TN 37065-1667
Phone: 615/764-0074

OEL

-Page-##-0-ParentBatchID-ParentID-1
CustomerName1
Address1
Address2
City State ZipCode

ACCOUNT NUMBER	AccountNumber-TenantNum
SERVICE ADDRESS	ServiceAddress
BILLING DATE	PreviousReadingDate THRU
NET AMOUNT DUE	\$ TotalDueNow
GROSS AMOUNT AFTER DueDate	\$ TotalDueAfterDueDate

Messages

Thank you to all who attended the Annual Meeting of the Members. The Board of Directors would like to thank the members for their vote of confidence. We intend to continue serving HWC with the highest integrity.

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All customers are entitled to membership. Please visit our website, www.harpethcoop.com to join. Membership does NOT make you financially liable according to State of Tennessee Statutes.

Office Hours Monday - Friday 8:00 AM - 4:00 PM
Make Check payable to HWC
Auto Bank Draft not available at this time

SERVICE	PREVIOUS READING	CURRENT READING	USAGE	CODE	CHARGES
PREVIOUS BALANCE					PreviousBal
PAYMENT RECEIVED					-PaymentRe
ServiceDescription	PreviousRe	CurrentReading	Usage	RateCo	BillAmount
					NET AMOUNT DUE
SERVICE ADDRESS		STATEMENT DATE	08/27/14		\$
ServiceAddress		ACCOUNT NO.	AccountNumber-Te		
		GROSS DUE AFTER DueDate	\$ TotalDueAfterDueDate		

NO SECOND NOTICE WILL BE SENT.

A \$4.50 per month Capital Improvement Surcharge begins on your October bill. These funds will be set apart in an account to be used only for capital improvements & repairs at our sewer plant, and has been approved by the State. This charge will expire after 24 months.

The Customer Charge is \$30.00

The Residential Sewer Fee is calculated at \$6.37 per 1000 gallons.

The Capital Improvement Surcharge is \$4.50

Visit our new website: www.harpethcoop.com

Pay on time - Your payments are due by the 20th of each month.

The Return Check Fee is \$20.00

RETURN PORTION

PLEASE ALLOW FIVE (5) DAYS FOR RECEIPT OF PAYMENT WHEN MAILING OR USING ONLINE BANKING

TO CHANGE YOUR MAILING ADDRESS, PLEASE FILL IN YOUR NEW ADDRESS BELOW

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

MAIL / MAKE CHECK PAYABLE TO:

HARPETH WASTEWATER COOPERATIVE
PO BOX 1667
FRANKLIN, TN 37065-1667

CustomerName1
Address1
Address2
City State ZipCode

ACCOUNT NUMBER	AccountNumber-TenantN
SERVICE ADDRESS	ServiceAddress
BILLING DATE	PreviousReadingDate THRU
NET AMOUNT DUE	\$ TotalDueNow
GROSS AMOUNT AFTER DueDate	\$ TotalDueAfterDueDate
AMOUNT PAID	\$



AccountNumber

TotalDueNow

HARPETH WASTEWATER COOPERATIVE

P.O. BOX 1667
FRANKLIN, TN 37065-1667
Phone: 615/764-0074



T1 P1 *****SNGLP

##-0001-##-6-2-2-7

STEVEN TATE

217 CHAPELWOOD DR
FRANKLIN TN 37069-6614

ACCOUNT NUMBER	30742000-98
SERVICE ADDRESS	217 CHAPELWOOD DR
BILLING DATE	07/01/2014 THRU 08/01/2014
NET AMOUNT DUE	\$ -41.62
GROSS AMOUNT AFTER 08/01/2014	\$ -41.62

Messages

Please plan now to attend:

Harpeth Wastewater Cooperative Annual Member Meeting
August 23, 2014, 10 AM
Berry's Chapel Church of Christ - follow signs

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State of Tennessee Statutes.

Office Hours
Monday - Friday
8:00 AM - 4:00 PM

Make Check
payable to HWC

Auto Bank
Draft not available
at this time

SERVICE	PREVIOUS READING	CURRENT READING	USAGE	CODE	CHARGES
PREVIOUS BALANCE					-57.54
PAYMENT RECEIVED					-120.00
CREDIT FACILITY CHG					-5.56
Sewer-H	1013700	1031200	17500	RES	141.48
NET AMOUNT DUE					
SERVICE ADDRESS					STATEMENT DATE
217 CHAPELWOOD DR					08/12/14
ACCOUNT NO.					30742000-98
GROSS DUE AFTER 08/01/2014					\$ -41.62

NO SECOND NOTICE WILL BE SENT.

If you are planning on attending the annual meeting of members and are currently not a member, please visit our website to join. The doors will open at 9:00 am, with check-in & registration till 10:00 am. We look forward to seeing you!

The Customer Charge is \$30.00

The Residential Sewer Fee is calculated at \$6.37 per 1000 gallons.

The Return Check Fee is \$20.00

Visit our new website: www.harpethcoop.com

RETURN PORTION

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TO CHANGE YOUR MAILING ADDRESS, PLEASE FILL IN YOUR NEW ADDRESS BELOW

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

MAIL / MAKE CHECK PAYABLE TO:

HARPETH WASTEWATER COOPERATIVE
PO BOX 1667
FRANKLIN, TN 37065-1667



STEVEN TATE
217 CHAPELWOOD DR
FRANKLIN TN 37069-6614

ACCOUNT NUMBER	30742000-98
SERVICE ADDRESS	217 CHAPELWOOD DR
BILLING DATE	07/01/2014 THRU 08/01/2014
NET AMOUNT DUE	\$ -41.62
GROSS AMOUNT AFTER 08/01/2014	\$ -41.62
AMOUNT PAID	\$



30742000

-41.62

APPENDIX 5

Harpeth Wastewater Cooperative
Announcement & Notification Log of 1st Annual Meeting
On August 23, 2014

Announcements:

April 14, 2014	First letter from new Board was sent to all customers of record and included announcement of annual meeting.
May 30, 2014	All HB&TS customers' billing included annual meeting message.
June 12, 2014	All MVUD customers' billing included annual meeting message.
June 23, 2014	HWC launches website; Annual meeting information on home page. All HWC customers have received multiple messages announcing website.
June 24, 2014	Update letter from Board was sent to all customers of record with announcement of new website; Insert included with announcement of annual meeting.
June 26, 2014	All HB&TS customers' billing included annual meeting message.
July 15, 2014	All City of Franklin customers' billing included annual meeting message.
July 16, 2014	All MVUD customers' billing included annual meeting message.
August 8, 2014	HWC Annual Meeting Announcement signs will be placed at the entrances of Cottonwood, River Landing & Legends Ridge subdivisions.

Notifications:

August 4, 2014	Notification letter sent to all HWC members of record. Includes separate flyer with official notification of annual meeting.
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Harpeth Wastewater Cooperative

www.harpethcoop.com (615) 764-0074 106 Mission Court Suite 203A Franklin, TN 37067

June 24, 2014

Name
4321 First Street
Anytown, State ZIP

Dear {Name},

It has been almost two months since we wrote to inform you that Berry's Chapel Utility, Inc., your sewer provider, has become the Harpeth Wastewater Cooperative. Since that time the customer-elected Board of Directors has been conducting a strategic review of the company. While the review is not fully complete, a number of new financial controls and cost containment efforts have gone into effect. Additionally, the company is working to eliminate and/or substantially reduce the long-term debts that are putting tremendous upward pressure on the rates the company must charge to recoup its costs. We believe these efforts, along with additional cost savings, will provide enough revenue to allow the utility to perform its basic mission of treating sewage and protecting the Harpeth River.

What has been most surprising to us, however, is the fact that the utility is operating with no cash savings or any ability to borrow funds for a significant capital expenditure. For instance, if a large piece of equipment at the sewer treatment plan were to fail, the company has no ability to replace that equipment and would be unable to perform its mission. This is a significant problem that requires immediate action.

The previous owners of the utility had requested from the Tennessee Regulatory Authority a rate increase of \$9 per customer, per month, that would be indefinite in nature. This week, we will be amending that request. We are asking for approval to collect a \$4 per month capital improvement fee, which will only be collected for 24 months and will held in an escrow account to be used only for equipment replacement and repairs. Further, we are asking for \$1 per month fee to provide for a state-mandated "financial security fund," which will only be collected for 12 months.

We take our two responsibilities to you very seriously: to provide a necessary service, and provide it at the lowest possible cost. This step is absolutely necessary to ensure that your sewer service can continue to operate. To read the full request or provide comments to us about this change, please visit our website at www.harpethcoop.com.

On behalf of the Board of Directors,

Mike Knotts
Chairman



Harpeth Wastewater Cooperative

Please plan now to attend:

Harpeth Wastewater Cooperative Annual Meeting

August 23, 2014 @ 10 AM

Berry's Chapel Church of Christ

Membership means that you have the right to vote on matters of company business, such as electing members of the Board. If you are not a member already, you may sign up online at our new website: www.harpethcoop.com

Harpeth Wastewater Cooperative
106 Mission Court, Suite 203A
Franklin, TN 370067

August 4, 2014

NAME
4321 FIRST STREET
ANYTOWN, STATE ZIP

Dear NAME,

On behalf of the Board of Directors, I would like to invite you to attend the first Annual Meeting of the Members of Harpeth Wastewater Cooperative, at 10:00 AM Saturday, August 23, 2014 in the Community Room at Berry's Chapel Church of Christ.

The agenda for the meeting will include a report on the current status of the Utility, a year-end financial report, and proposed by-law changes to facilitate the continued conversion of the utility into a cooperative. Copies of these proposed changes are available for your review on our website, www.harpethcoop.com, along with the current charter and by-laws. I encourage you to review them before the meeting.

The meeting will conclude with election of the Board of Directors and an opportunity for comments and questions from members. Remember, only members may vote in the election. Please sign up for membership today.

Recognizing the tremendous amount of change that has occurred since the current Board's election in March, the Board would like to share a review of the current state of HWC as well as the many remaining challenges ahead for our sewer company. We have prepared a *Strategic Action Report*, which can also be viewed at www.harpethcoop.com/news. A brief summary is included with this letter. The full document contains much more information.


Included in the full document are the latest developments related to the utility's proposed rate change, as well as the company's agreement with the Harpeth River Watershed Association to avoid litigation and help protect the Harpeth River.

For further information, please call our office or use the contact form on the website. We hope to see you on August 23rd!

Sincerely Yours,



Mike Knotts
Chairman

 Harpeth Wastewater Cooperative

www.harpethcoop.com (615) 764-0074 106 Mission Court Suite 203A Franklin, TN 37067

Harpeth Wastewater Cooperative
NOTIFICATION OF ANNUAL MEMBER MEETING
August 23, 2014

Official Notice is hereby presented that the Annual Meeting of the Members of Harpeth Wastewater Cooperative (formerly known as Berry's Chapel Utility) will be held as follows:

Date / Time: **August 23, 2014**

Registration Opens @ 9:00 am

Meeting begins @ 10:00 am

Location: Berry's Chapel Church of Christ
1777 Berry's Chapel Rd
Franklin, TN 37069

Enter on the West side of the building, opposite side from Hillsboro Rd. Signs will be in place directing you to the correct door.

The purpose of the meeting is for the election of directors, the amendment of company by-laws, and to conduct all other business properly brought before the company.

Eligible to Attend: **Anyone desiring to attend this first meeting of the Members.**

Eligible to Vote: **All Members that are in attendance at the meeting, have registered, and have been issued a voting credential.**

You must be a member to vote at the meeting. All Customers are eligible to become members by applying over the internet at www.harpethcoop.com, by submitting a membership application to the company office, or by joining the morning of the meeting. Please note that membership applications are subject to verification of service.

Please complete all membership applications by August 18, 2014 so that your application can be processed and speed registration at the meeting.

Registration OPENS at 9:00. Please allow enough time for registering and obtaining your Voting Pass. We will begin the meeting promptly at 10:00 am. Registration will continue until 10:15 or the line is served.

The meeting agenda and all matters for voting by the Members will be available for review on, or about, the evening of August 19, 2014 at www.harpethcoop.com. Limited paper copies will be available at the meeting.

Please contact the HWC offices should you have questions. 615-764-0074

Sincerely,

Tom W. Moore
Secretary-Treasurer
Harpeth Wastewater Cooperative
106 Mission Court, Suite 203A
Franklin, TN 37067

August 5, 2014

Harpeth Wastewater Cooperative
NOTIFICATION OF ANNUAL MEMBER MEETING
August 23, 2014

Additional information:

INSTRUCTIONS FOR SUBMITTING PROPOSALS TO BE CONSIDERED AT THE MEETING, WHICH INCLUDE:
CHANGES TO THE COMPANY CHARTER OR BYLAWS, AND MEMBER RESOLUTIONS.

DEADLINE for submissions: **Monday, August 18, 2014 5:00 pm Central Time**

Proposals received by the Deadline will be added to the Website and available for review as of Wednesday, August 20. Submissions received after 5:00 pm on August 18 will not be considered. This deadline is to allow all members the opportunity to review, discuss, and consider the action prior to the meeting. Please clearly provide the information identified below. You may create your own form as long as you provide ALL of the information requested below.

Berry's Chapel Utility
Member Proposed Change Request

RESOLUTION: _____ (For HWC Staff Use)

Check One: Bylaw Change ____ Charter Change ____ Resolution ____

TITLE:
(Provide a short Title that identifies the Resolution)

ISSUE/RATIONALE:
(Communicate the need for the resolution)

FINANCIAL IMPACT:
(Communicate the financial impact of the change if known or estimated)

SUBMITTED BY: _____ **Date:** _____
Deliver via email to Admin@berryschapel.com and request confirmation receipt.
Or by Mail to: Harpeth Wastewater Cooperative
Attention: Secretary/Treasurer
106 Mission Court, Suite 203A
Franklin, TN 37067

TEXT OF THE RESOLUTION:

(Provide exact and specific wording of the proposed change. The text must clearly detail what must be changed)

August 5, 2014



Harpeth Wastewater Cooperative

Strategic Action Report

August 4, 2014



Since assuming control of the Utility, the Board of Directors have taken a number of actions based on the resolution(s) of the members, passed at the March 13, 2014 special meeting, which required a strategic review of the company. The Board has:

- Reviewed all corporate documents, contracts, agreements
- Analyzed all company indebtedness
- Analyzed the operational efficiency of the company
- Enlisted opinions of multiple third-parties involved in all aspects of the company's operations
- Amended the corporate charter and by-laws to reflect a member-elected, cooperative governance structure (additional actions required by the members at August 23, 2014 annual meeting)



After completing this strategic review of the company, the Board reached several conclusions about the future direction of the company and has developed a strategic plan to guide the company over the next 12-18 months. We concluded that:

- The utility is operationally sound – meaning the collection system and treatment plant are functioning acceptably for the time being, although both are old and will eventually need significant investment for continued operations.
- Financially, the company is very weak. While there is enough cash flow to fund current operations, there is no ability to respond to a large capital expenditure such as equipment failure, break in underground sewer lines, or fund other modernization projects.
- The company's lack of economy of scale makes low cost-per-customer operation difficult.
- The previous owners of the company created a complex web of debts and other liabilities that need to be "unwound." This process is complex, lengthy, and potentially very expensive due to legal costs.

Strategic Plan



1. Finalize/Settle the Rate Case at TRA
2. Elimination of Promissory Notes
3. Restatement of Financials
4. Re-structuring of Long-term Debt
5. Operational Restructuring
6. Resolve Potential Environmental Lawsuit
7. Improve Communications/Annual Meeting

Items are prioritized based upon the need for one to be completed so that the next item may be more readily completed, but actions for each are being taken concurrently whenever possible.