

MINUTES OF THE MARTIN BOARD OF MAYOR AND ALDERMEN

February 11, 2008 5:15 PM City Hall Chambers

BE IT REMEMBERED the Regular Meeting of the Board of Mayor and Aldermen for the City of Martin, Tennessee, was held Monday, February 11, 2008, at 5:15 pm in the City Hall Chambers, when the following was held to wit:

MEMBERS PRESENT: HONORABLE RANDY BRUNDIGE, MAYOR
HONORABLE DANNY NANNEY, ALDERMAN WARD I
HONORABLE BILL HARRISON, ALDERMAN WARD I
HONORABLE DAVID BELOTE, ALDERMAN WARD II
HONORABLE JOHNNY TUCK, ALDERMAN WARD II
HONORABLE TERRY HANKINS, ALDERMAN WARD III
MEMBERS ABSENT: HONORABLE RANDY EDWARDS, ALDERMAN WARD III

Also present: City Recorder Chris Mathis, Fire Chief Russell Schwahn, Police Chief David Moore, Police Captain Don Teal, Public Works Director Billy Wagster, Director of Martin Housing Authority Brian Harris, Mr. Mickey Moore, Mr. Tim Moore, Mr. Charles McWherter, and Members of the Press

CALL TO ORDER AND INVOCATION

Mayor Brundige called the February 11th meeting of the City of Martin Board of Mayor and Aldermen to order. Alderman Belote gave the invocation.

PLEDGE OF ALLEGIANCE

Mayor Brundige led the group in the Pledge of Allegiance to our flag.

APPROVAL OF MINUTES JANUARY 14, 2008

Mayor Brundige introduced and presented for consideration the minutes of the January 14, 2008 meeting.

Alderman Hankins made the motion to approve the minutes of January 14, 2008 meeting as written seconded by Alderman Tuck.

VOTE: UNANIMOUS VOICE VOTE OF APPROVAL

DEPARTMENT HEAD REPORTS:

C. E. WELDON PUBLIC LIBRARY DIRECTOR ROBERTA PEACOCK

The Library's newsletter was included in the board packets. A copy is attached to the minutes.

Director Peacock was absent due to the death of Ms. Margaret Wagster, longtime Library employee.

COMMUNITY DEVELOPMENT DIRECTOR KIMBERLY CRADDOCK

Director Craddock has the flu and is not present.

PARKS AND RECREATION DIRECTOR DENNIS SUITER

Director Suiter has the flu and is not present.

PUBLIC WORKS DIRECTOR BILLY GENE WAGSTER

The Public Works Department's monthly reports were included in packets. A copy is attached to the minutes. Director Wagster asked if anyone had any questions. No questions were asked.

Director Wagster explained the sewer rehab on McComb Street will be finished sometime this week. The leaf truck is retired for the season but the city will pick up bagged leaves.

FIRE DEPARTMENT FIRE CHIEF RUSSELL SCHWAHN

The Fire Department's monthly reports were included in packets. A copy is attached to the minutes. Chief Schwahn asked if anyone had any questions. No questions were asked.

The Department received a grant through the Fire Act Grant program to purchase extrication equipment. We were notified that FEMA would allow us to use \$16,750.00 of monies already spent toward the \$21,000.00 required match. The match balance amount required by the city is approximately \$5,000.00.

The bid opening is scheduled for this Friday for the remainder of the equipment we purchased with the grant funds.

POLICE DEPARTMENT CHIEF DAVID MOORE

The Police Department's monthly reports were given to the board. A copy is attached to the minutes. Chief Moore asked if anyone had any questions. No questions were asked.

HUMAN RESOURCES

DIRECTOR CELESTE TAYLOR

Director Taylor was present and asked if anyone had any questions. No questions were asked.

OLD BUSINESS:

There was no old business.

NEW BUSINESS:

A REQUEST FROM MARTIN HOUSING AUTHORITY FOR \$7,500.00 FOR HOME FUNDS

Mayor Brundige presented a request from Mr. Brian Harris representing Martin Housing Authority for \$7,500.00 for Home Funds. These funds are designated for nonprofit entities to rebuild or repair homes. Do I have a motion to grant this request?

Alderman Harrison made the motion to grant a request from Mr. Brian Harris representing Martin Housing Authority for \$7,500.00 in Home Funds, seconded by Alderman Belote.

VOTE:	FOR:	HONORABLE NANNEY HONORABLE HARRISON HONORABLE BELOTE HONORABLE TUCK HONORABLE HANKINS
	AGAINST:	NONE
	ABSENT:	HONORABLE EDWARDS

Mayor Brundige declared the request approved.

APPOINTMENT OF HONORABLE LANGDON S. UNGER AS CITY JUDGE, TERM TO EXPIRE 12/31/2010.

Mayor Brundige made the recommendation to appoint Honorable Langdon S. Unger as City Judge with his term to expire 12/31/2010.

Alderman Hankins made the motion to appoint Honorable Langdon S. Unger as City Judge with his term to expire 12/31/2010, seconded by Alderman Belote.

VOTE: UNANIMOUS VOICE VOTE OF APPROVAL

Mayor Brundige stated we will try to have the swearing in ceremony at the March 10th Board Meeting.

A REQUEST FROM MICKEY AND TIM MOORE TO INSTALL A CULVERT IN LAKEVIEW SUBDIVISION PER ENGINEERS' REQUIREMENTS

Mayor Brundige presented for consideration a request from Mickey and Tim Moore to install a culvert in Lakeview Subdivision per engineers' requirements.

Mr. Mickey Moore spoke. We went before the Public Works Committee on two occasions last year and did not receive a direct answer from anyone. Rather than me going into all the flooding problems in the area I would just like to stipulated there is a severe flooding problem on several of the lots in the Lakeview Subdivision. Are all of you are aware of this problem.

Mayor Brundige stated all of the board members have visited the area and are aware of the problems.

Mr. Mickey Moore spoke the reason Lakewood Subdivision lots flood is there is a fourteen-inch culvert on Lakeview Drive that is not adequate. The engineer's requirement for the subdivision culvert called for a 36-inch or two 24-inch square culverts. The developer did not install the required culvert and the city did not follow through using the performance bond to enforce the developer to properly develop the subdivision according to plat specifications. At the time Tim and I purchased the lots we did a diligent search and found the plat recorded at Dresden and where the Planning Commission had accepted the plat. In doing appraisal work or checking titles we are not supposed to have come into City Hall and look through three years of correspondence to find out if proper development has taken place. So, we were not aware there was a flooding problem until after we had purchased the property. The developer informed us that the subdivision had been approved by the city. I wrote a letter to the Board of Mayor and Aldermen in August of 2006 and received no response. Then I requested a hearing before the Public Works Committee and this seemed to be the first time anyone had heard about the problem. But the general consensus was that the real problem was because a neighbor to the east of us had redesigned a lake with a dam, which raised the water level. It takes quite some time for the water to trickle down but as I have mentioned when it rains water gets over the road and over three or four lots with houses. When the water in these yards gets several feet deep in the front yard, over the driveway, and under the house it is hard to tell the property owner to be calm because the water will go down in three or four days. Public Works suggested I contact the person who redesigned the dam. I did. His response was he had state engineers to design the dam and pond according to state regulations and he did not intend to do anything. He suggested that if I did not like what he had to say I retain legal representation. Now, I try to avoid this as much as possible. So, I requested a second meeting with Public Works. As you all know on this committee there are citizens as well as board members. One particular person on this committee decided we owned the street but we do not, all we purchased were lots. The committee then told us that the original developer owns the street, as the street has not been accepted into the city streets system. The committee informed us that the mayor, who was not at this meeting, would contact the original developer and the lake property owner Mr. Nassar Nassar and try to get something worked out. This was is April of last year. Soon after that I met the city recorder out at the Hearth Restaurant and he thought you were working things out.

Mayor Brundige explained I have talked to Mr. Baker several times about the installation of the proper culvert and one time we get it worked and the next time he backs out.

Mr. Mickey Moore stated I visited Lakeview today, which is a couple of days after our last rain, and the water is still up. There are two reasons for the backup the culvert is too small and too high. So, my question is, Mayor, is this a city street?

Mayor Brundige stated no. It has not been accepted into our system.

Mr. Mickey Moore asked at the time the Planning Commission approved this did the city require a performance bond by the developer?

Mayor Brundige answered they did at that time.

Mr. Mickey Moore spoke they did at that time and it expired then was renewed, this went on for four or five years. The last letter that was sent out by Dick Tidwell stated that if the developer did not pave the street by a certain date the city was going to do the work and draw against the performance bond. Now what is the purpose of a performance bond?

Mayor Brundige answered it is to make corrections in the development.

Mr. Mickey Moore asked whose responsible is it to see that it performs?

Mayor Brundige answered it is the city's and the developer's or owner of the performance bond.

Mr. Mickey Moore spoke in other words if I develop another subdivision and I put up a bond I don't have to be concerned whether the city is going to require me to perform or not.

Mayor Brundige answered it is up to you and the city, both as a partnership in that bond, to see that each other is responsible.

Mr. Mickey Moore asked what does the city intend to do?

Mayor Brundige answered that is up to this board.

Mr. Mickey Moore stated what I would ask the city to do is, if the city still maintains this is not a city street and the city is not going to maintain the street or put in the culvert in accordance to the design that was approved by the Planning Commission, was signed, recorded, and brought back to the city then I would like for the city to inform all the residents of Lakeview Subdivision that they are living on a private street and it will not be maintained by the City of Martin.

Mayor Brundige answered we will do this.

Mr. Mickey Moore asked I have been talking for two years about this, why can't I get an answer?

Mayor Brundige answered it has gone before these committees. I think the Public Works answered you the last time.

Alderman Tuck stated Mickey, we have letters of correspondence with you. Unless I am wrong, and I will ask Danny, I don't think we have ever said we would do something about this.

Alderman Nanney stated we would need to go back to Public Works minutes and check.

Alderman Tuck said we would need to check that. Mickey, I don't think they ever agreed to do anything about this street. The main reason is not because of Lakeview Street but because when we accept that street without it being ready then we will have to do it for every developer. I know of two more streets right now that are in the same shape. Your street may cost \$4,000.00 but these others are more costly.

Mr. Mickey Moore stated don't say "yours" we bought twelve lots not a street. We did not buy a subdivision just twelve lots.

Mayor Brundige answered the policy is that every street that comes into the city's system has to be accepted by this board and this street has not been accepted.

Mr. Mickey Moore stated I have developed several subdivisions in Martin and have always gone back and requested the city accept the streets. In fact, I got a letter of acceptance for my last street. So, at this point, you are saying this is not a city street. Now, let me ask you this, when you talked with the developer, what did he say?

Mayor Brundige answered the first time I talked to him he said he would put the culvert in. We discussed this at the Informal Board meeting. Alderman Hankins, did you talk to Mr. Baker.

Alderman Hankins stated yes the day after our meeting. I asked him if he would put the culvert in if we gave him the culvert and he said he would.

Mr. Mickey Moore stated when?

Alderman Hankins stated this was just a few days ago. I asked him to attend the meeting tonight but couldn't because he would be in Virginia.

Mr. Mickey Moore stated because the city required a performance bond for this subdivision was it not the city's responsibility to see that the developer performed according to the specifications and city regulations or to make a draw against the letter of credit?

Mayor Brundige stated that would be the case now.

Mr. Mickey Moore stated it seems that Dick Tidwell dropped the ball and he worked for the city, therefore I am still looking to city for a solution. Just because he is no longer with the city does not mean the city does not have any responsibility.

Alderman Tuck spoke you said something about the culvert being lowered when a larger one is installed. It looks as if that would back the water up more.

Mr. Mickey Moore stated that brings on another problem, you have to have the bottom of the culvert as low as the elevation of the lots because water runs down hill.

Alderman Tuck stated if you lower the culvert I still say it will push the water back from lake. It has got to if the water is higher on the other side.

Mr. Mickey Moore stated the Public Works Department has shot the grades and can tell us.

Director Wagster stated if the culvert were lowered it would put more water on the lots.

Mr. Mickey Moore stated I have a lot in the city limits and if the grass gets over six inches you all make me mow it. Now, you are telling me if a man builds a dam and backs water up you can't do anything about it.

Alderman Tuck stated someone should be able to but I don't think it is the city responsibility to do it. I think this is a civil matter and you need a lawyer.

Mr. Tim Moore asked if I develop a subdivision today and the city approves the plat then I start the process according to the plans and spec on the plat whose responsibility is it to make sure the development of curbs, gutters, streets, drainage, and utilities are done according to spec? Who is the person responsible for this?

Mayor Brundige answered this is a two-fold responsibility with our building inspector and Public Works.

Mr. Tim Moore asked if the inspector or Public Works goes out to the development site and it is not meeting the specifications what is the process at that point?

Mayor Brundige answered today, we will not accept any part of the subdivision's street system or utility system into the city system until the deficiency is corrected.

Mr. Tim Moore asked what would the city do if the development was not being put in according to the approved plans and specs.

Mayor Brundige answered we would shut it down.

Mr. Tim Moore asked how is the process different today than it was at the time this subdivision was developed?

Mayor Brundige answered the process is enforced more efficiently because the city's function is to make the developer abide by the rules.

Mr. Tim Moore spoke even if you are more intent in making the developer abide by the rules now than you were then, is the city's responsibility any less than now? If I am putting in this development and you shut me down and there is a performance bond, then the city has certain rights under that performance bond, am I not right about that? Okay if there are some minor corrections, say a development has a \$10,000.00 correction and you have an \$80,000.00 performance bond and the developer refuses to make the correction does the city have the right and responsibility to make the correction?

Mayor Brundige answered I would say yes.

Mr. Tim Moore asked how is that any different than what has taken place. Please give me an answer as to why it was different then, than now when the same rules were in place? Now you may be administrating it a little differently or more intently but there is no difference.

Mayor Brundige answered I just know it was somewhat lacking then. It was about three years ago that we tightened up making the developers come into line.

Mr. Tim Moore stated before this subdivision was developed Dad and I did one and everything we did somebody was on top of it every step of the way. We had difficulty getting our street accepted because someone wanted to enforce a rule that was not in place because they decided they wanted it to be. The city did accept the street and provided us with a letter of acceptance.

Mayor Brundige answered I would imagine the reason this street in Lakeview was not accepted into the system is it was not properly done. I cannot go back in time and tell you why they let the performance bond lapse.

Mr. Tim Moore asked was the performance bond in place prior to the culvert being installed and the street being paved?

Mayor Brundige answered yes.

Mr. Tim Moore stated absolutely it certainly was. So, before Mr. Tidwell who was working for the city at that time sent Mr. Baker a letter telling him he had to pave the street. Mr. Tidwell did not say a word about before you pave this street you have to replace the culvert that does not meet the plans and specs approved, he said you have to pave it now and gave him a deadline.

Mayor Brundige answered there were also some letters in the file concerning the culvert from Public Works Director Tom Ingram stating the culvert was not the size needed and the city would not accept the street.

Mr. Mickey Moore stated you are right but it was some two years before. I have one more question, is it the policy of the city to issue building permits before the streets are accepted into the city system?

Mayor Brundige answered yes. We have subdivisions being built and street work is still in process.

Mr. Mickey Moore stated I think that is a good policy because you can have two phases going on at one time. Have you all made a final decision on this or do you need time to make it? If you need time let me know by letter.

Mayor Brundige stated that is up to this board.

Mr. Mickey Moore asked do you have an estimate on the cost?

Director Wagster stated we had a partial estimate when you met with Public Works. At that time I did not know what blacktopping would be.

Mr. Mickey Moore stated I feel the city was derelict in allowing the performance bond to expire without making sure the street was properly constructed. I am requesting that you take our request under consideration and advise Tim and I by letter of your answer.

Alderman Belote spoke we talked about this at the informal meeting but we did not have your prospective. I feel we need to discuss this among the board members before a decision is made. The critical piece in my mind is are we attempting to fix an area by installing a larger culvert but if I understand everything correctly if we were to put that culvert in we would be creating a larger problem than we have.

Mr. Mickey Moore stated if you take care of the smaller problem we will take care of the larger problem.

Alderman Belote stated the larger problem and smaller problem have to work in harmony with one another. I am not sure the culvert needs to be installed until the larger problem is corrected.

Mr. Mickey Moore stated that is a case of which comes first the chicken or the egg.

Alderman Hankins asked Mickey, are you certain that the installation of a larger culvert will cure the problem? I have looked at the area three times and I am not sure.

Mr. Mickey Moore stated it will not cure the problem but it will let the water drain out faster. If the water is over the road it will drain off within a few hours but it remains on some of the lots for two to three days. When the engineer designed the floodway for the lake and dam they included a hundred yards of rip-rap and you all know rip-rap collects debris, which holds the water back. I can tell you if a homeowner has water over his lot for two or three days he is upset.

Alderman Hankins stated I visited the site after we had the last rain and I saw a lot of water in the yards.

Mr. Mickey Moore stated Mr. Nassar cleaned out the debris from the rip-rap and the water drained down like it was supposed to but by the next rain we had water over the street. If you all make a decision please let me know by letter. Again, if this is not a city street and you all are not going to maintain it please let the residents know. When do you think I can get an answer?

Mayor Brundige answered it will be a month before we meet again. We will discuss this again at the Informal City Board meeting on March 04, 2008.

Mr. Charles McWherter asked to speak. I live on K Street. I will say Mickey Moore is as good a friend as I have in Martin in fact he managed my unsuccessful campaign for Attorney General. He will probably be one of my pallbearers when the time comes. I own property on K Street, which is located on the other side of Lakeview Subdivision. I have a garage on my property that is full of cars and during the last two rains water seeped into the garage. So, if you open up a bigger culvert it will put more water on my property and into my garage. I think the solution to my problem and to Mickey's is to dredge out the ditch that runs from the subdivision all the way down through to the main bridge on K Street. I sympathize with Mickey but I also sympathize with my problem.

Mayor Brundige stated I think the spillway is the problem.

Alderman Hankins stated I also think the spillway is the problem.

Mayor Brundige stated we will discuss this at our next Informal Board Meeting.

Alderman Nanney asked if we could have all the information on this from the start until now.

INTRODUCTION AND PRESENTATION OF RESOLUTION R2008-01: A RESOLUTION AUTHORIZING THE PURCHASE OF NATURAL GAS FROM TENNERGY CORPORATION; APPROVING THE EXECUTION AND DELIVERY OF A NATURAL GAS SUPPLY AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID PURCHASE; APPROVING CERTAIN DOCUMENTS RELATING TO THE ISSUANCE OF BONDS BY TENNERGY CORPORATION TO PROCURE GAS SUPPLIES AND APPROVING CERTAIN CONTRACTS AND AGREEMENTS RELATING THERETO AND RELATING THE MANAGEMENT OF GAS SUPPLY; AND CONSENTING TO THE ASSIGNMENT OF CERTAIN OBLIGATIONS UNDER THE NATURAL GAS AGREEMENT IN CONNECTION WITH THE ISSUANCE OF SAID BONDS

Mayor Brundige introduced and presented for consideration Resolution R2008-01: A resolution authorizing the purchase of natural gas from Tennergy Corporation; approving the execution and delivery of a natural gas supply agreement and other documents relating to said purchase; approving certain documents relating to the issuance of bonds by Tennergy Corporation to procure gas supplies and approving certain contracts and agreements relating thereto and relating the management of gas supply; and consenting to the assignment of certain obligations under the natural gas agreement in connection with the issuance of said bonds. We have been over this resolution once before. We need to redo the resolution because at that time the resolution had an exact price that Tennergy had to meet but the stock market did not reach the level needed. In the new resolution we are creating a level the market can reach. We will not read this resolution but all board members have been provided with a copy, as have the members of the press. A copy of the resolution follows. Exhibits A and A1 will be attached to the minutes.

RESOLUTION R2008-01

A RESOLUTION AUTHORIZING THE PURCHASE OF NATURAL GAS FROM TENNERGY CORPORATION; APPROVING THE EXECUTION AND DELIVERY OF A NATURAL GAS SUPPLY AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID PURCHASE; APPROVING CERTAIN DOCUMENTS RELATING TO THE ISSUANCE OF BONDS BY TENNERGY CORPORATION TO PROCURE GAS SUPPLIES AND APPROVING CERTAIN CONTRACTS AND AGREEMENTS RELATING THERETO AND RELATING THE MANAGEMENT OF GAS SUPPLY; AND CONSENTING TO THE ASSIGNMENT OF CERTAIN OBLIGATIONS UNDER THE NATURAL GAS AGREEMENT IN CONNECTION WITH THE ISSUANCE OF SAID BONDS

WHEREAS, Tennergy Corporation ("Tennergy") is an energy acquisition corporation formed pursuant to the provisions of Title 7, Chapter 39, Tennessee Code Annotated (the "Act"), to be an instrumentality of certain municipalities that caused the formation of Tennergy; and

WHEREAS, Tennergy was formed, among other reasons, for the purpose of acquiring, financing, and managing supplies of natural gas for sale to the associated municipalities of Tennergy and for the purpose of selling gas to other public entities inside and outside the State of Tennessee as shall be in the best interest of Tennergy; and

WHEREAS, Tennergy has planned and developed a gas supply project under which it will finance the acquisition of gas supplies for sale to public gas distribution systems (the "Customers"), including Tennergy's associated municipalities, so as to bring the benefits of secure, reliable and economical gas supplies to the Customers and their citizens, inhabitants, and customers; and

WHEREAS, the Mayor and Aldermen (the "Governing Body") of City of Martin (the "Purchaser") has determined that it is in the best interest of its natural gas distribution system (the "System") and the customers thereof that the Purchaser purchase all or a portion of its annual natural gas requirements from Tennergy pursuant to a natural gas supply agreement to be entered into by Tennergy and the Purchaser, as more fully described herein (the "Supply Agreement"), and one or more supplemental confirmation letter agreements (collectively, the "Confirmations") to be executed by the Purchaser subsequent to the execution of the Supply Agreement and attached to the Supply Agreement as a schedule or schedules thereto; and

WHEREAS, for the purpose of providing funds to purchase gas supplies for resale to the Customers, it will be necessary for Tennergy to issue and sell one or more series of bonds (the "Bonds") and pledge to the payment of the Bonds certain assets of Tennergy, including the Supply Agreement between Tennergy and the Purchaser; and

WHEREAS, the Purchaser shall have no obligation or liability with respect to the Bonds, and the Purchaser's only obligations relating to Tennergy's gas program described herein shall be set forth in the Supply Agreement and the Confirmations attached thereto; and

WHEREAS, in order to authorize the purchase of natural gas from Tennergy and the execution of the Supply Agreement and the Confirmations, to consent to the assignment of the Supply Agreement and such Confirmations to secure the Bonds and to authorize and take such other necessary and appropriate action in furtherance of the above described program, the Governing Body adopts this resolution.

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

1. The Purchaser is authorized to enter into a Supply Agreement with Tennergy, pursuant to which Purchaser will purchase gas from Tennergy in accordance with the Confirmations for a period of up to two hundred forty (240) months under any Confirmation. The Supply Agreement shall be in substantially the form submitted and attached hereto as Exhibit A, which such form is hereby approved, with such completions, omissions, insertions, and changes as may be approved by the officers executing said Agreement, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes. The Mayor (the "Executive

Officer") of the Purchaser is hereby authorized to execute and the City Recorder (the "Attesting Officer") of the Purchaser to attest the Supply Agreement.

2. The Purchaser is authorized to enter into one or more Confirmations subsequent to the execution of the Supply Agreement. Each Confirmation shall be in substantially the form submitted and attached to the Supply Agreement as Exhibit A thereto, which form is hereby approved, with such completions, omissions, insertions, and changes as may be approved by the representative executing said Confirmation, his or her execution to constitute conclusive evidence of his or her approval of any such omissions, insertions and changes. Each Confirmation shall contain certain terms, including the specific volume levels and pricing information, for the gas to be purchased by Purchaser pursuant to that Confirmation. The Mayor, City Recorder, or the Director of Public Works (the "Authorized Confirmation Representative") are each hereby authorized (a) to determine on behalf of the Purchaser whether or not the terms of each Confirmation are acceptable to the Purchaser and, (b) if such terms are acceptable in the determination of the Authorized Confirmation Representative, to execute and deliver the Confirmation on behalf of the Purchaser to Tennergy. In the interest of time, the Authorized Confirmation Representative may indicate to Tennergy his or her acceptance of the terms of the Confirmation by telephone, electronic mail or facsimile, with an original of the signed Confirmation delivered promptly to Tennergy.

3. In no event shall the Authorized Confirmation Representative approve the purchase of total gas volumes in all Confirmations of more than 3,397,569 MMBtu (the "Maximum Volume Amount") over the term of the Supply Agreement. The officers, employees and agents of the Purchaser are hereby authorized and directed to take such actions and do all things necessary to cause the purchase of said gas to take place, including the payment of all amounts required to be paid in order to purchase the gas in accordance with the Supply Agreement and the Confirmations thereto.

4. The issuance of the Bonds by Tennergy for the purposes hereinabove set forth is hereby recognized and approved by the Governing Body and the Governing Body hereby consents to the assignment and pledge of all Tennergy's right, title and interest under the Supply Agreement and each Confirmation, including the right to receive performance by the Purchaser of its obligations thereunder, to secure the payment of principal of and interest on the Bonds.

5. The execution and delivery by Tennergy of a Trust Agreement between Tennergy and a corporate trustee (the "Trust Agreement"), one or more Purchase Contracts relating to the issuance of the Bonds and the purchase thereof by the underwriters of the Bonds (collectively, the "Purchase Contract") and Master Swap Agreements and schedule and confirmation relating thereto (collectively, the "Swap Agreements") between Tennergy and a counterparty to be named by Tennergy, are hereby approved, which documents shall be in the forms approved by the board of directors of Tennergy.

6. The Bonds are not obligations of the Purchaser but are limited obligations of Tennergy payable solely from the revenues and receipts pledged by Tennergy under the Trust Agreement, including the revenues and receipts arising from the sale of gas to Customers pursuant to the Supply Agreement and similar agreements with the other Customers. By approving the issuance of the Bonds, consenting to the assignment of the Supply Agreement and approving the documents described in paragraph 5 hereof, the Purchaser is not incurring any obligation or

liability with respect to the Bonds, and the Purchaser's only obligation pursuant to this resolution is to purchase natural gas and perform its obligations as set forth in the Supply Agreement and the Confirmations attached thereto.

7. The officers and employees of the Purchaser and any other agent or representative of the Purchaser are hereby authorized and directed to cooperate with Tennergy and its agents and representatives in the preparation and distribution of a preliminary official statement describing, among other things, the Bonds and the System. After the Bonds have been sold, any executive officer or employee of the Governing Body, or any agent or representative designated by the Purchaser, shall make such completions, omissions, insertions and changes in the preliminary official statement relating to the System not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission (the "Rule"), and the Governing Body hereby covenants and agrees that the Purchaser will cooperate with Tennergy in the discharge of Tennergy's obligations to provide annual financial and operating information with respect to the System as may be required by the Rule. Any executive officer or employee of the Governing Body, or such other agent or representative of the Purchaser as shall be appropriate are hereby authorized and directed to provide such information as shall be required for such compliance.

8. All acts and doings of the officers or employees of the Purchaser or any other agent or representative of the Purchaser which are in conformity with the purposes and intent of this resolution and in furtherance of the execution, delivery and performance under the Supply Agreement and each Confirmation, and in furtherance of the issuance and sale of the Bonds and the execution by Tennergy of the Trust Agreement, the Bond Purchase Agreement, and the Swap Agreements, shall be and the same hereby are in all respects, approved and confirmed.

9. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

10. All other resolutions or orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this _____ day of _____ 2008.

Title: Mayor

I, _____, do hereby certify that I am the duly qualified and acting City Recorder of the Purchaser and as such official I further certify that the foregoing is a true and correct copy of a resolution adopted by the Purchaser at a meeting, a quorum being present and acting throughout, held on _____, 2008.

Title: City Recorder

Alderman Hankins made the motion to approve Resolution R2008-01: A resolution authorizing the purchase of natural gas from Tennergy Corporation; approving the execution and delivery of a natural gas supply agreement and other documents relating to said purchase; approving certain documents relating to the issuance of bonds by Tennergy Corporation to procure gas supplies and approving certain contracts and agreements relating thereto and relating the management of gas supply; and consenting to the assignment of certain obligations under the natural gas agreement in connection with the issuance of said bonds, seconded by Alderman Nanney.

VOTE:	FOR:	HONORABLE NANNEY HONORABLE HARRISON HONORABLE BELOTE HONORABLE TUCK HONORABLE HANKINS
	AGAINST:	NONE
	ABSENT:	HONORABLE EDWARDS

Mayor Brundige declared Resolution R2008-01 approved.

**INTRODUCTION AND PRESENTATION OF RESOLUTION R2008-02:
RESOLUTION OF THE GOVERNING BODY OF MARTIN, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF CAPITAL
OUTLAY NOTES NOT TO EXCEED \$196,650 PURSUANT TO THE
INFORMAL BID PROCESS**

Mayor Brundige introduced and presented for consideration Resolution R2008-02: Resolution of the Governing Body of Martin, Tennessee, authorizing the issuance, sale, and payment of Capital Outlay Notes not to exceed \$196,650 pursuant to the informal bid process.

Recorder Mathis read Resolution 2008-02. A copy was provided to members of the press. A copy follows:

RESOLUTION R2008-02

**RESOLUTION OF THE GOVERNING BODY OF MARTIN, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF CAPITAL OUTLAY
NOTES NOT TO EXCEED \$196,650 PURSUANT TO THE INFORMAL BID PROCESS**

WHEREAS, the Governing Body of Martin, Tennessee, the “Local Government” has determined that it is necessary and desirable to issue capital outlay notes in order to provide funds for the following public works project (the “Project”): Completion of the Downtown Enhancement.

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

WHEREAS, under the provisions of Parts I, IV and VI of Title 9, Chapter 21, Tennessee Code Annotated the “Act”), local governments in Tennessee are authorized to finance the cost of this

Project through the issuance and sale of interest-bearing capital outlay notes upon the approval of the State Director of Local Finance; and

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to authorize the issuance of capital outlay notes to finance the cost of the Project;

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

SECTION 1. That, for the purpose of providing funds to finance the cost of the Project in and for the Local Government, the Chief Executive Officer of the Local Government is hereby authorized in accordance with the terms of this resolution, and upon approval of the State Director of Local Finance, to issue and sell interest-bearing capital outlay notes in a principal amount not to exceed One Hundred Ninety-six Thousand Six Hundred and Fifty Dollars (\$196,650) (the “Notes”) by an informal bid process pursuant to the terms, provisions., and conditions permitted by law. The Notes shall be designated “Downtown Enhancement Project Capital Outlay Notes, Series 2008”; shall bear interest at a rate not to exceed six per cent (6.00%) per annum, and in no event shall the rate exceed the legal limit provided by law.

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

<u>FISCAL</u> <u>YEAR</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>FISCAL</u> <u>YEAR</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>
6/30/09	\$16,388	6/30/15	\$16,387
6/30/10	\$16,388	6/30/16	\$16,387
6/30/11	\$16,388	6/30/17	\$16,387
6/30/12	\$16,388	6/30/18	\$16,387
6/30/13	\$16,388	6/30/19	\$16,387
6/30/14	\$16,388	6/30/20	\$16,387

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

SECTION 3. That, the Notes shall be subject to redemption at the option of the Local Government, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption, without a premium.

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

SECTION 5. That, the Notes shall be executed in the name of the Local Government; shall bear the manual signatures of the Mayor and City Recorder of the Local Government. Proceeds of the Notes shall be deposited with the City Recorder as custodian of the funds. All proceeds shall be paid out for the purpose of financing the Project pursuant to this Resolution and as required by law.

SECTION 6. That, the Notes will be issued in fully registered form and that at all times during which any Note remains outstanding and unpaid, the Local Government or its agent shall keep or cause to be kept at its office a note register for the registration, exchange or transfer of the Notes.

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

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

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

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

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

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

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

Motion made by Alderman _____ that the forgoing Resolution be approved. Seconded by Alderman _____. Upon being put to a roll call vote February 11, 2008, the motion passed.

ATTEST:

SIGNED:

Chris Mathis, CPA,
City Recorder

Randy Brundige,
Mayor

Alderman Belote made the motion to approve Resolution R2008-02: Resolution of the Governing Body of Martin, Tennessee, authorizing the issuance, sale, and payment of Capital Outlay Notes not to exceed \$196,650 pursuant to the informal bid process, seconded by Alderman Hankins.

^VOTE:	FOR:	HONORABLE NANNEY HONORABLE HARRISON HONORABLE BELOTE HONORABLE TUCK HONORABLE HANKINS
	AGAINST:	NONE
	ABSENT:	HONORABLE EDWARDS

Mayor Brundige declared Resolution R2008-02 approved.

**INTRODUCTION AND PRESENTATION OF RESOLUTION R2008-03:
THREE-YEAR CAPITAL OUTLAY NOTES RESOLUTION OF THE
GOVERNING BODY OF MARTIN, TENNESSEE, AUTHORIZING THE
ISSUANCE, SALE, AND PAYMENT OF INTEREST-BEARING CAPITAL
OUTLAY NOTES NOT TO EXCEED \$68,400**

Mayor Brundige introduced and presented for consideration Resolution R2008-03: Three-year capital outlay notes resolution of the Governing Body of Martin, Tennessee, authorizing the issuance, sale, and payment of interest-bearing Capital Outlay Notes not to exceed \$68,400.

Recorder Mathis read Resolution R2008-03. A copy was provided for all members of the press. A copy follows:

RESOLUTION R2008-03

**THREE-YEAR CAPITAL OUTLAY NOTES
RESOLUTION OF THE GOVERNING BODY OF MARTIN, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF INTEREST-BEARING
CAPITAL OUTLAY NOTES NOT TO EXCEED \$68,400**

WHEREAS, the Governing Body of Martin, Tennessee, has determined that it is necessary and desirable to provide funds for the completion of the CDBG Sewer Rehab (the "Project") for the benefit of the Local Government; and

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

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

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to authorize the issuance of capital outlay notes to finance the cost of the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF MARTIN, TENNESSEE, AS FOLLOWS:

SECTION 1. That, for the purpose of providing funds to finance the cost of the Project in and for the Local Government, the Chief Executive Officer of the Local Government is hereby authorized in accordance with the terms of this resolution to issue interest-bearing capital outlay notes in a principal amount not to exceed Sixty-eight Thousand Four Hundred Dollars (\$68,400) (the "Notes") at either a competitive public sale or at a private negotiated sale upon approval of the State Director of Local Finance pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated "Completion of CDBG Sewer Rehab Project Capital Outlay Notes" and shall bear interest at a rate not to exceed six percent (6%) per annum, and in no event shall the rate exceed the legal limit provided by law.

SECTION 2. That, the Notes shall mature not later than three (3) years after the date of issuance and that the Notes and any extension or renewal notes shall not exceed the reasonably expected economic life of the Project, which is hereby certified by the Governing Body to be at least Thirty (30) years. Provided, however, that each year the Notes are outstanding, one-third (1/3), but in no event not less than one-ninth (1/9), of the original principal amount of the Notes shall mature without renewal but subject to prior redemption.

SECTION 3. That, the Notes shall be subject to redemption at the option of the Local Government, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption, without a premium.

SECTION 4. That, the Notes shall be direct general obligations of the Local Government, for which the punctual payment of the principal and interest on the notes, the full faith and credit of

the Local Government is irrevocably pledged and the Local Government hereby pledges its taxing power as to all taxable property in the Local Government for the purpose of providing funds for the payment of principal of and interest on the Notes. The Governing Board of the Local Government hereby authorizes the levy and collection of a special tax on all taxable property of the Local Government over and above all other taxes authorized by the Local Government to create a sinking fund to retire the Notes with interest as they mature in an amount necessary for that purpose.

SECTION 5. That, the Notes shall be executed in the name of the Local Government and bear the manual signature of the chief executive officer of the Local Government and the manual signature of the City Recorder with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the City Recorder of the Local Government. Proceeds of the Notes shall be deposited in the general operating bank account of the Local Government and shall be paid out for the purpose of financing the Project pursuant to this resolution and as required by law.

SECTION 6. That, the Notes are hereby designated as qualified tax-exempt obligations for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986.

SECTION 7. That, after the issuance and sale of the Notes, and for each year that any of the Notes are outstanding, the City of Martin shall submit its annual budget to the State Director of Local Finance for approval immediately upon the City's adoption of the budget.

SECTION 8. That, if any of the Notes shall remain unpaid at the end of three (3) years from the issue date, then the unpaid Notes shall be renewed or extended as permitted by law, or retired from the funds of the City of Martin or be converted into bonds pursuant to Chapter 11 of Title 9 of the Tennessee Code Annotated, or other law, or be otherwise liquidated as approved by the State Director of Local Finance.

SECTION 9. That, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists and this Resolution shall become effective immediately upon its passage.

Motion made by Alderman Danny Nanney that the foregoing Resolution be approved. Seconded by Alderman Johnny Tuck. Upon being put to a roll call vote February 11, 2008, the motion passed.

ATTEST:

SIGNED:

Chris Mathis, CPA
City Recorder

Randy Brundige,
Mayor

Alderman Nanney made the motion to approve Resolution R2008-03: Three-year capital outlay notes resolution of the Governing Body of Martin, Tennessee, authorizing the issuance, sale, and payment of interest-bearing Capital Outlay Notes not to exceed \$68,400 seconded by Alderman Tuck.

VOTE:	FOR:	HONORABLE NANNEY HONORABLE HARRISON HONORABLE BELOTE HONORABLE TUCK HONORABLE HANKINS
	AGAINST:	NONE
	ABSENT:	HONORABLE EDWARDS

Mayor Brundige declared Resolution R2008-03 approved.

ANY OTHER BUSINESS:

LEGISLATIVE BREAKFAST

Mayor Brundige announced the Legislative Breakfast would be February 15, 2008 at 7:30 am in Room 206 at UTM Bowling Center.

TENNESSEE MUNICIPAL LEAGUE BREAKFAST

Mayor Brundige announced Tennessee Municipal League Conference April 14th and 15th in Nashville, Tennessee and asked all board members to let Chris know if they could attend.

ADJOURN

Alderman Nanney made the motion to adjourn, seconded by Alderman Hankins.

VOTE: UNANIMOUS VOICE VOTE OF APPROVAL.

ATTEST:

SIGNED:

Chris Mathis, CPA
City Recorder

Randy Brundige,
Mayor

RB: CM/bh
Saved " February 11, 2008"