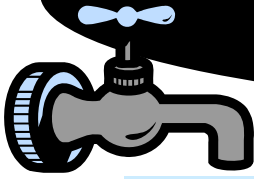


Mallory Valley Utility District



7117 Crossroads Boulevard, Brentwood, Tennessee 37027

August 2007

IMPORTANT BILLING CHANGES — PLEASE READ

The billing statement you receive in August will reflect a water rate increase. Residential customers will be charged \$4.00 per thousand gallons of usage. Commercial customers will be charged \$4.00 per thousand gallons of usage up to 100,000 gallons. All commercial usage over 100,000 gallons will be charged at \$5.00 per thousand.

Tremendous growth in the District has made it necessary to expand our infrastructure to accommodate the high demands placed upon its system. Furthermore, annualized cost of goods from our supplier have risen and made it necessary to pass on some of those costs to our customers.

How is the District expanding infrastructure?

Water Storage Tanks: The District constructed a new 1.0 million gallon water storage tank at its Moores Lane Tank Complex. A 5.0 million gallon water storage tank is planned for construction and will be located at its current tank complex on Lynnwood Way.

Water line extensions: The District will establish a new point of metered connection to the Harpeth Valley Utilities District water system to extend a water transmission line approximately 24,000 linear feet along Beech Creek Road and 10,000 linear feet along Hidden Valley Road, North Berry's Chapel Road and Lynnwood Way which will be extended to the point of connection at the existing system along Franklin Road.

Pumping Stations: The District will construct a new 8,500 gallons per minute water booster station.

**Bills are due the
1st of the month**

Where are we located?

We are located at 7117 Crossroads Blvd, which is off of Mallory Lane. Our office hours are Monday through Friday from 7:30 am to 4:00 pm.



REMINDER — In April 2007, Mallory Valley changed the dates of service for your billing cycle and changed the due date for bill payment.

Until April 2007, our dates of service on your monthly billing statement were from the 10th day of the previous month through the 10th day of the current month. With the change in April, your dates of service changed to the 1st day of the previous month through the 1st day of the current month. (These service dates are approximate and can change slightly from month to month.)

With this change in service dates, the due date for your bill payment also changed. With the change in April, your new due date for payments is the 1st of each month.

Save \$5 on your next water bill !



During the month of August - Sign up for automatic bank draft of your checking account, and you will save \$5.00 on your next water bill!

To sign up, complete this form and attach a voided check. Mail this back to the District office at PO BOX 936, Franklin, TN 37065

Authorization for Bank Draft

DATE _____

Your Mallory Valley Account # _____

Your Service Address _____

Your Bank's Name _____
(This is the bank you want us to draft from)

Your Bank Account Number _____
(This is the account you want us to draft from)

The Name(s) of the Account Holder(s) _____

The Address of the Account Holder(s) _____

I (we) hereby authorize Mallory Valley Utility District to initiate debt entries to my (our) checking account indicated above and the Bank named above, hereinafter called DEPOSITORY, to debit the same to such account.

This authority is to remain in full force and effect until Mallory Valley Utility District and DEPOSITORY have each received notification from me (or either of us) of its termination in such time and in such manner as to afford Mallory Valley Utility District and DEPOSITORY a reasonable opportunity to act upon it. I (we) will receive prior written notice of the amount to be debited to my (our) account, which will allow me (or either of us) to stop payment of the debit entry by notifying the DEPOSITORY at least three days prior to the date the account is to be charged. I (we) will send written notice of an erroneous charge to the account to the DEPOSITORY within 15 days of the issuance of the account statement or 45 days after the account was charged, whichever occurs first.

Signature (as it appears on your check) _____

Signature (as it appears on your check) _____

REMEMBER TO ATTACH A VOIDED CHECK TO THIS FORM