

**MALLORY VALLEY UTILITY DISTRICT
BOARD OF COMMISSIONERS MEETING
JULY 30, 2010**

The regular monthly meeting of the Board of Commissioners of Mallory Valley Utility District was held at 8:00 A.M. on Friday, July 30, 2010, at the District's business office located at 465 Duke Drive, Franklin, Tennessee. The meeting was advertised in accordance with the law.

Ron Coker, President, called the meeting to order.

Commissioners present for the meeting of July 30, 2010 were Ron Coker, Dan Coley and Guy Nerren. Others present for the meeting were Ansley Coode, Don Scholes, Alton Hethcoat and Tim Ham.

The first order of business was approval of the minutes of the June 25, 2010 board meeting. A motion was made by Mr. Coley and seconded by Mr. Nerren to approve the minutes of the June 25, 2010 meeting. After full discussion, the motion was approved.

The next order of business was the consideration of a request by the Williamson County Highway Department that the District participate in the resurfacing of Beech Creek Road by contributing \$129,313 of the County's anticipated cost to resurface the road. Mr. Ham stated that after the District's contractor had finished the resurfacing of Beech Creek Road, the County Highway Superintendent had approved the resurfacing work and indicated that the road resurfacing and restoration work had met County specifications. After the flooding in early May of this year, the portion of Beech Creek Road resurfaced with the tar and chip surface requested by the County was badly compromised. Some of the residents of Beech Creek Road have claimed that the District's resurfacing of the road was inadequate which contributed to the damage to the road. Mr. Ham and Mr. Hethcoat did not agree. After consideration and discussion of the County's planned resurfacing work, the potential claim which might be made against the District and the desire to get a full release of the District's irrevocable line of credit with the County securing the District's road work on the Beech Creek project, a motion was made by Mr. Coker and seconded by Mr. Coley to contribute \$129,313.00 to the County toward the County's cost of resurfacing of Beech Creek Road provided: (1) the County Highway Department reduce the District's irrevocable line of credit from \$558,000 to \$129,313 and use this remaining balance as the District's contribution to the County's resurfacing work; (2) the County agree to release the District from any warranty or further liability for the surface and condition of Beech Creek Road to be paved with the tar and chip surface; and (3) the agreement contain language which provides that the District understood that its road resurfacing and restoration work had complied with the County's specifications and the parties' Roadway Agreement. After full discussion, the motion was unanimously approved. Mr. Scholes was directed to prepare the agreement for submission and review by the County.

The next order of business was the consideration of a request by the City of Franklin that the District have its contractor for the Franklin Road Transmission Line project to relocate the

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Academy Sports meter as a part of the District's project and let the City reimburse the District for the relocation costs. The cost of the relocation of the District's meter for Academy Sports is the City's responsibility. A motion was made by Mr. Coker and seconded by Mr. Nerren to grant the City's request and to approve the amendment prepared by Mr. Scholes to the parties' Mallory Station Road Resurfacing Agreement on this project to incorporate the City's request. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit A".

The next order of business was staff recommendation to approve the Contract to Audit Accounts for the October 1, 2009 through September 30, 2010 fiscal year between Dan Parsons & Associates and Mallory Valley Utility District. A motion was made by Mr. Coker and seconded by Mr. Nerren approving the Contract to Audit Accounts. After full discussion, the motion was unanimously approved.

The next order of business was to discuss the staff's recommendation to reduce the performance bond to a maintenance bond for the Alliant Partners Office Building from \$18,126.00 to \$2,718.90. A motion was made by Mr. Coker and seconded by Mr. Coley to reduce the bond. After full discussion, the motion was unanimously approved.

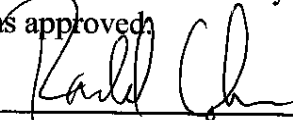
The next order of business was the election of a new Commissioner to fill the upcoming vacancy on the Board which will occur upon the expiration of the term of Commissioner Dan Coley on August 17, 2010. Commissioner Ron Coker moved that the Board elect Dan Coley to fill this upcoming vacancy. This motion was seconded by Commissioner Guy Nerren and passed by a vote of 2-0. Commissioners Guy Nerren and Ron Coker signed a Resolution re-electing Dan Coley to another four year term which term will end on August 17, 2014, which Resolution is incorporated in these minutes. The Oath of Office was administered to Dan Coley, and the General Manager was directed to file the Oath of Office with the Williamson County Clerk. A copy of the Oath of Office showing the signature of the Williamson County Clerk will then be incorporated in these minutes.

The next order of business was approval of the Adjustment Log for June 2010. A motion was made by Mr. Coker and seconded by Mr. Nerren to approve the Adjustment Log in the amount of \$401.60. After full discussion, the motion was approved. A copy is attached hereto as "Exhibit B".

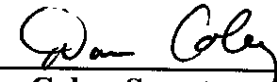
The next regular Board of Commissioners meeting will be held at 8:00 A.M. on Friday, August 27, 2010.

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There being no further business to come before the Board, a motion was made by Mr. Nerren and seconded by Mr. Coker to adjourn the meeting. After a full discussion the motion was approved.



Ronald Coker, President



Dan Coley, Secretary

August 27, 2010
Date