

**MALLORY VALLEY UTILITY DISTRICT
BOARD OF COMMISSIONERS MEETING
JUNE 24, 2011**

The regular monthly meeting of the Board of Commissioners of Mallory Valley Utility District was held at 8:00 A.M. on Friday, June 24, 2011, 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 June 24, 2011 were Dan Coley, Guy Nerren and Ron Coker. Others present for the meeting were Ansley Coode, Eric Broomfield, Don Scholes, Tim Ham and Jennifer Clarke.

The first order of business was approval of the minutes of the May 31, 2011 board meeting. A motion was made by Mr. Nerren and seconded by Mr. Coley to approve the minutes of the May 31, 2011 meeting. After full discussion, the motion was approved.

The next order of business was a request to the Board by Debra and Mark Zinger, property owners of 1132 Frenchtown Lane, Franklin, for an adjustment to the water charges for April 2011 which included water lost due to an irrigation leak. The Board reviewed the District's current leak adjustment rule with the staff which does not allow adjustments to leaks occurring on irrigation systems unless the leak occurs within one year from the time of installation. The Board confirmed with the staff and the Zingers that the leak in the irrigation system occurred more than one year after the irrigation system was installed. The Board determined that no reason existed not to apply the District's leak adjustment rule; therefore, no additional adjustment could be given as requested. The Board directed the staff review and re-evaluate the leak adjustment rule and to make a recommendation to the Board should the staff believe any changes need to be made to it.

The next order of business was the consideration of the District's Medical Insurance Renewal for 2011-2012. A motion was made by Mr. Coker and seconded by Mr. Coley to accept the renewal quote prepared by Miller Loughry Beach Insurance Services for coverage with Blue Cross Blue Shield of Tennessee for commissioners and employees, which is the District's existing plan. After full discussion, the motion was approved.

The next order of business was a motion by Mr. Coker to modify the Board's previous action in which it had adopted a policy stating that effective July 1, 2007, any employee or Commissioner of the Mallory Valley Utility District who is eligible for health benefits provided through Medicare Parts A and B will no longer be considered eligible for participation in the District-sponsored group health plan and that the District continue to pay the health insurance premium for a Commissioner to participate in a separate group health insurance plan, including Medicare, in accordance with the provisions of T.C.A. § 7-82-308(a) by eliminating this policy and to authorize any employee or Commissioner to participate in the District's group health

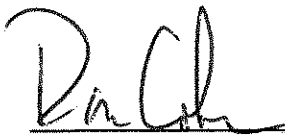
insurance plan even if the employee or Commissioner is eligible for Medicare effective July 1, 2011. The motion seconded by Mr. Coley. After full discussion, the motion was unanimously approved.

The next order of business was the consideration of the Contract to Audit Accounts. The staff and the Board discussed a proposal by Yeary Howell Associates to perform the District's next audit. A motion was made by Mr. Coker and seconded by Mr. Nerren to accept the audit proposal by Yeary Howell Associates to conduct the audit for the District's October 1, 2010 through September 30, 2011 fiscal year at a cost of \$14,900.00. After full discussion, the motion was approved.

The next order of business was approval of the Adjustment Log for May 2011. A motion was made by Mr. Nerren and seconded by Mr. Coley to approve the Adjustment Log in the amount of \$4,736.20. After full discussion, the motion was approved. A copy is attached hereto as "Exhibit A".

The next regular Board of Commissioners meeting will be held at 8:00 A.M. on Friday, July 22, 2011.

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



Ron Coker, President



Dan Coley, Secretary

July 22, 2011
Date