

**MALLORY VALLEY UTILITY DISTRICT
BOARD OF COMMISSIONERS MEETING
DECEMBER 30, 2011**

The regular monthly meeting of the Board of Commissioners of Mallory Valley Utility District was held at 8:00 A.M. on Friday, December 30, 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 December 30, 2011 were Dan Coley, Guy Nerren and Ron Coker. Others present for the meeting were Ansley Coode, Alton Hethcoat, Don Scholes, Tim Ham and Jenny Clarke.

The first order of business was approval of the minutes of the November 29, 2011 board meeting. A motion was made by Mr. Coker and seconded by Mr. Coley to approve the minutes of the November 29, 2011 meeting. After full discussion, the motion was approved.

The next order of business was amending the minutes of the July 22, 2011 Board of Commissioners meeting related to the planned investigative work project in the vicinity of the Holly Tree Gap Pump Station at the intersection of Holly Tree Gap Road and North Berry's Chapel Road. A motion was made by Mr. Coker and seconded by Mr. Nerren to amend the minutes of the July 22, 2011 Board of Commissioners meeting by deleting the sixth paragraph of these minutes and substituting the following in its place:

The next order of business was the consideration of the Agreement between Garney Companies, Inc. and Mallory Valley Utility District to investigate and determine the location of the District's water lines in the vicinity of the Holly Tree Gap Pump Station at the intersection of Holly Tree Gap Road and North Berry's Chapel Road, to install piping as needed for future connections from the existing water lines and to eliminate piping related to the Sawyer Brown Road Pump Station. Mr. Hethcoat informed the Board that because the location of the piping was not known, the District did not know the extent of the work required; therefore, he was not able to develop a request for bid with a scope of work and specifications which would permit contractors to submit a meaningful competitive bid for the project work. The Board asked Mr. Scholes whether the Board could enter into a contract for this project without competitive bidding. Mr. Scholes informed the Board that it had the authority to make exceptions to its competitive bidding requirements under the statutes that mandate the District have a purchasing policy. A motion was made by Mr. Coker and seconded by Mr. Nerren to amend the District's purchasing policy to create a new exception for construction contracts for projects when the extent and nature of the scope of work is uncertain or cannot be ascertained which will prevent the District from preparing a scope of work and specifications for a request for bid for the project to allow bidders to submit a meaningful bid for consideration by the District and to approve the Agreement with Garney Companies, Inc. with a cost not to exceed \$148,066.00 in accordance with this new exception. After full discussion the motion was unanimously approved. A copy of the Agreement is attached hereto as "Exhibit C."

After full discussion, the motion was unanimously approved.

The next order of business was the consideration of the approval of an amendment to the Owner-Engineer Agreement between Mallory Valley Utility District and Hethcoat & Davis, Inc. on the Franklin Road/Sliders Knob Improvements project. The amendment modifies the contract amounts for engineering services on the project set forth in the original agreement to reduce ~~to~~^{the} total contract amount. A motion was made by Mr. Coker and seconded by Mr. Nerren approving the amendment. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit A".

The next order of business was to approve a Christmas bonus for each employee in the amount of \$500.00. A motion was made by Mr. Coker and seconded by Mr. Nerren approving a Christmas bonus for each employee in the amount of \$500.00 for a total amount of \$7,500.00 for all District employees. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit B".

The next order of business was the consideration of the approval of a Resolution prepared by Mr. Scholes to adopt a Debt Management Policy for the District as requested by the Comptroller. A motion was made by Mr. Coker and seconded by Mr. Nerren to approve the Resolution and adopt the Debt Management Policy incorporated in the Resolution. After full discussion, the motion was unanimously approved. A copy the Resolution is attached hereto as "Exhibit C".

The next order of business was the discussion of the annual funding for the Mallory Valley Utility District Health Savings Account through Pinnacle Financial Partners. A motion was made by Mr. Coley and seconded by Mr. Nerren approving the funding in the amount of \$65,000.00 for 2012. After full discussion, the motion was unanimously approved.

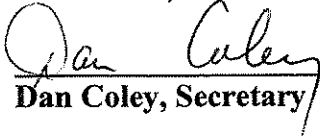
The next order of business was approval of the Adjustment Log for November 2011. A motion was made by Mr. Coker and seconded by Mr. Nerren to approve the Adjustment Log in the amount of \$875.60. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit D".

The next regular Board of Commissioners meeting will be held at 8:00 A.M. on Friday, January 27th, 2012.

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



Ron Coker, President



Dan Coley, Secretary

January 27, 2012
Date