

**MALLORY VALLEY UTILITY DISTRICT
BOARD OF COMMISSIONERS MEETING
JANUARY 25, 2013**

The regular monthly meeting of the Board of Commissioners of Mallory Valley Utility District was held at 8:00 A.M. on Friday, January 25, 2013, 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 January 25, 2013 were, Guy Nerren, Ron Coker & Dan Coley. Others present for the meeting were Ansley Coode, Alton Hethcoat, Don Scholes, and Jenny Clarke. Visitors present for the January meeting were Ken Funderburk and John Ashworth with Merchant Capital.

The first order of business was approval of the minutes of the December 28, 2012 board meeting. A motion was made by Mr. Nerren and seconded by Mr. Coley to approve the minutes of the December 28, 2012 meeting. After full discussion, the motion was approved.

The next order of business was the election of officers for the Board of Commissioners for the 2013 calendar year. A motion was made by Mr. Nerren and seconded by Mr. Coley to elect Mr. Coker as President, Mr. Nerren as Vice-President and Mr. Coley as Secretary of the Board of Commissioners for 2013. After full discussion, the motion was unanimously approved.

The next order of business was staff's request to reduce the Performance Bond in the amount of \$69,627.00 to a Maintenance Bond in the amount of \$10,444.05 for Jim N Nicks, 3070 Mallory Lane, Franklin, TN. A motion was made by Mr. Coker and seconded by Mr. Coley to reduce the bond amount. After full discussion, the motion was unanimously approved.

The next order of business was to review and accept the Mallory Valley Utility District Fiscal Year Audit for October 1, 2011 through September 30, 2012. The audit was performed by Yearly Howell Associates. A motion was made by Mr. Coker and seconded by Mr. Coley to accept the audit as presented. After full discussion, the motion was unanimously approved.

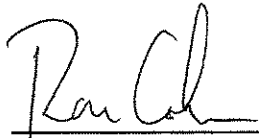
The next order of business was approval of the Adjustment Log for December 2012. A motion was made by Mr. Coker and seconded by Mr. Coley to approve the Adjustment Log in the amount of \$2,046.35. After full discussion, the motion was approved. A copy is attached hereto as "Exhibit A".

The next order of business was a presentation by Ken Funderburk and John Ashworth of Merchant Capital of the potential benefits to the District of refinancing the District's Water Revenue Improvement Bonds, Series 2007. No Board action was taken.

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The next regular Board of Commissioners meeting will be held at 8:00 A.M. on Thursday, February 28, 2013.

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


Ron Coker, President


Dan Coley, Secretary

February 28, 2013
Date