

**MALLORY VALLEY UTILITY DISTRICT
BOARD OF COMMISSIONERS MEETING
OCTOBER 28, 2011**

The regular monthly meeting of the Board of Commissioners of Mallory Valley Utility District was held at 8:00 A.M. on Friday, October 28, 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 October 28, 2011 were Dan Coley, Guy Nerren and Ron Coker. Others present for the meeting were Alton Hethcoat, Don Scholes, Tim Ham and Jenny Clarke.

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

The next order of business was a brief progress report on the Franklin Road Transmission Line project and approval of the Garney Companies, Inc. Final Adjusting Change Order No. 4, which was presented to the Board. The Change Order No. 4 reflects a \$175,506.43 decrease in the contract price. A motion was made by Mr. Coker and seconded by Mr. Nerren to accept and approve the Final Adjusting Change Order No. 4 as presented. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit A".

The next order of business was approval of the Bad-Debt listing for the 2011 Fiscal Year. A motion was made by Mr. Coker and seconded by Mr. Coley to approve the Bad-Debt listing for the 2011 Fiscal Year totaling \$188.39. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit B".

The next order of business was a discussion about changing the Performance Bond of Mallory Valley Utility District to the City of Franklin and the Franklin Municipal Planning Commission for the trees planted on the 465 Duke Drive property to a Maintenance Bond. Mrs. Clark explained that the amount of the Maintenance Bond and the reduction in the Letter of Credit securing the Maintenance Bond depended on whether the District intended to replace twenty-two trees on the property at a cost of \$6,275 or contribute \$8,000 to the City of Franklin's Tree Bank. A motion was made by Mr. Coley and seconded by Mr. Nerren to approve the contribution of \$8,000 to the City of Franklin's Tree Bank. After full discussion, the motion was unanimously approved.

The next order of business was approval of the Branstetter, Stranch & Jennings, PLLC retainer fee proposal. Effective November 1, 2011, the District would agree to pay the firm a monthly retainer of \$2,000 to perform legal services for the District with the exception of legal work related to capital improvement projects and litigation which will continue to be billed at an hourly rate. A motion was made by Mr. Coker and seconded by Mr. Nerren to approve the Branstetter, Stranch & Jennings, PLLC retainer fee proposal. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit C".

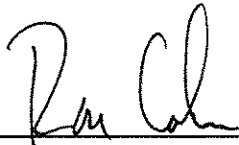
The next order of business was approval of the Adjustment Log for September 2011. A motion was made by Mr. Coker and seconded by Mr. Coley to approve the Adjustment Log in the amount of

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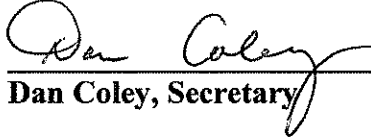
\$1,482.05. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit D".

The next regular Board of Commissioners meeting will be held at 8:00 A.M. on Tuesday, November 29th, 2011.

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.



Ron Coker, President



Dan Coley, Secretary

October 28, 2011
Date