

**MALLORY VALLEY UTILITY DISTRICT
BOARD OF COMMISSIONERS MEETING
DECEMBER 31, 2008**

The regular monthly meeting of the Board of Commissioners of Mallory Valley Utility District was held at 8:00 A.M. on Wednesday, December 31, 2008, 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.

The first order of business was approval of the minutes of the November 26, 2008 board meeting. A motion was made by Mr. Coker and seconded by Mr. Coley to approve the minutes of the November 26, 2008 meeting. After full discussion, the motion was unanimously approved.

The next order of business was the consideration of Change Order No. 1 from Richland, LLC on the Beech Creek Pumping Station, Contract B. A motion was made by Mr. Coker and seconded by Mr. Coley approving the change order reducing the contract price by \$21,565.00 as set forth in the change order. A copy is attached hereto as "Exhibit A". After full discussion, the motion was unanimously approved.

The next order of business was the consideration of Change Order No. 2 from Garney Companies, Inc. on the Beech Creek Water Transmission Line, Contract A. A motion was made by Mr. Nerren and seconded by Mr. Coley approving the change order to increase the contract price by \$97,441.04 as set forth in the change order. A copy is attached hereto as "Exhibit B". After full discussion, the motion was unanimously approved.

The next order of business was discussion of the water rate study performed by Hethcoat & Davis, Inc. and the staff. A motion was made by Mr. Coker and seconded by Mr. Coley to

(1) implement a new rate structure for monthly water service as follows:

All Customers: \$4.50 per 1,000 gallons for first 20,000 gallons
 \$5.50 per 1,000 gallons over 20,000 gallons

(2) make the new rates for all bills rendered after February 1, 2009.

After full discussion, the motion was unanimously approved. Under this revised rate structure the new minimum bill which includes water usage for the first 2,000 gallons a month will be \$9.00.

The next order of business was staff's recommendation to reduce the Performance Bond to a Maintenance Bond for the Morningside Subdivision, Section 9 from \$95,496.00 to \$14,324.40. A motion was made by Mr. Nerren and seconded by Mr. Coker to reduce the bond. After full discussion, the motion was unanimously approved.

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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 \$57,500.00 for 2009. After full discussion, the motion was unanimously approved.

The next order of business was approval of the Adjustment Log for November 2008. A motion was made by Mr. Coker and seconded by Mr. Coley to approve the Adjustment Log in the amount of \$793.20. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit C".

The next regular Board of Commissioners meeting will be held at 8:00 A.M. on Friday, January 30, 2009.

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 unanimously approved.



Ron Coker, President



Dan Coley, Secretary

January 30, 2009
Date