

Mallory Valley Utility District

465 Duke Drive Franklin, TN 37067

615-628-0237

Our District is growing!

Beech Creek transmission water line

The District is installing a new transmission water line in the Beech Creek area. A connection will be made to the existing Harpeth Valley Utility District water line located just north of Murray Lane on Beech Creek Road. The line will run through Beech Creek Road to Hidden Valley Road and then connect to North Berry's Chapel Road. The line will then run the length of North Berry's Chapel Road and connect to Lynnwood Way and Franklin Road. This new line will serve the growing water demands of this area for the next 15-20 years. This project also includes a new 5.0 million gallon storage tank and 8,500 gallon per minute pumping station. This project is currently underway. Additional updates can be found on the District's website.

5.0 million gallon water storage tank

A new 5.0 million gallon water storage tank will be constructed on the District's existing tank site near Lynnwood Way. This new tank will service the southern portion of the District and will store additional water to supply the growing demands of Milcrofton Utility District. The District plans to sell 3.0 million gallons per day to Milcrofton UD.

Pumping Station

A new 8,500 gallon per minute pumping station will be constructed at the corner of Hidden Valley Road and North Berry's Chapel Road. This new pumping station will service the new transmission line from Beech Creek to Franklin Rd.

Franklin Road and Slider's Knob transmission water lines

Franklin Road

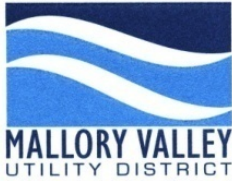
The District will install a new 24-inch transmission water line that will begin on Franklin Road at Lynnwood Way. The line will run South down Franklin Road and then East on Mallory Station Road to Mallory Lane. The line will cross over Mallory Lane and go under Interstate 65 in order to connect to our tank facility located on Slider's Knob. This new line will serve the growing water demands of the Eastern portion of the District area for the next 20 years.

Slider's Knob

The District will install an 18-inch transmission water line that will begin at the Slider's Knob tank facility and connect to Moores Lane. This line will create a loop in the water system, which will allow the District to maintain a high level of water quality.

Check out our website at

www.MVUD.org



Water Rate Change Notice

Mallory Valley Utility District takes pride in delivering high-quality and reliable water services to its customers. The District has been able to deliver water to its customers at reasonable and cost efficient rates based on its purchased water costs, its volume of water sales and the growth within its service area.

To meet the long term water needs of its present and future customers, the District is investing in several large capital improvement projects to replace and extend its current water system infrastructure. These large capital projects are necessary to meet the water demand needs of the District over the next twenty years.

The debt costs, increased depreciation costs and increased operating costs related to these capital improvements necessitate an increase in the District's current revenues. The District needs to revise its current water rate structure to raise revenue to meet these increased costs. The District's rate changes will allow the District to deliver the same high-quality and reliable water service that its customers depend on.

The new rates will become effective February 1, 2009. The rate structure is as follows:

Water usage between 0 and 20,000 gallons will be charged at a rate of \$4.50 per 1,000 gallons

Water usage above 20,000 gallons will be charged at a rate of \$5.50 per 1,000 gallons

The following examples should help you understand the effect of these rate changes to your monthly water bill:

If you are a small residential user and use 2,000 gallons per month, your bill is currently \$8.74 for water service (including the 9.25% sales tax). With the revised rate structure, your bill will be \$9.83 for water service (including the 9.25% sales tax).

If you are an average residential user and use 6,500 gallons per month, your bill is currently \$28.40 for water service (including the 9.25% sales tax). With the revised rate structure, your bill will be \$31.95 for water service (including the 9.25% sales tax).

If you are a large residential user or use water for irrigation and use 25,000 gallons per month, your bill is currently \$109.25 for water service (including the 9.25% sales tax). With the revised rate structure, your bill will be \$128.36 for water service (including the 9.25% sales tax).

If your business uses 50,000 gallons per month then your bill is currently \$218.50 for water service (including the 9.25% sales tax). With the revised rate structure, your bill will be \$278.58 for water service (including the 9.25% sales tax).

If your business uses 75,000 gallons per month then your bill is currently \$327.75 for water service (including the 9.25% sales tax). With the revised rate structure, your bill will be \$428.80 for water service (including the 9.25% sales tax).

NOTICE OF BACKFLOW TESTING RESIDENTIAL AND COMMERCIAL

Backflow testing will begin on February 1 for 2009.

Testing will be done for Residential irrigation systems and Residential fire protection systems (customers with a fire sprinkler system inside their home). Testing will be done for all Commercial buildings and will include the domestic meter, the fire protection system and the irrigation system.

A uniformed member of our staff will test your domestic and/or irrigation backflow device(s) each year. Mallory Valley has contracted with Fire Sprinkler, LLC to complete testing of commercial fire protection backflow devices.

Whether commercial or residential, the cost per device and visit is \$40.00. Your device(s) will be tested annually and you will receive a bill from Mallory Valley.

Cross connection is the undesirable reversal of water from its intended direction in any plumbing or pipeline system. A backflow prevention device that is properly installed, tested and maintained can reliably prevent the backflow of water of an unknown quality from flowing back into the community's water system.

The State of Tennessee requires a backflow device to be installed and tested annually for all commercial buildings with domestic, fire and/or irrigation systems and also on irrigation systems for residential homes.

**** EFFECTIVE JANUARY 1, 2009 ** Revised Rate Structure for Fire Protection Sprinkler Systems**

Mallory Valley Utility District has performed a rate study on charges for fire sprinkler systems in its service area to determine a fair and equitable way for the District to recover its costs in providing water facilities for fire sprinkler systems. Currently, monthly charges for fire sprinkler systems are based upon the number of sprinkler heads in a commercial building. The District will implement a new revised rate structure for fire sprinkler systems based upon meter size rather than the number of sprinkler heads in a building. Meter size is a more accurate measure of the demand for water from a fire sprinkler system than the number of sprinkler heads. The District has determined that charges for fire sprinkler systems directly related to the amount of water required for operation should be used to recover its costs of providing water for fire sprinkler systems.

The District will experience less than a 1% increase in the total revenue it receives from the revised fire sprinkler system charges; however, an individual customer may notice a difference greater or less than this amount in its individual bill depending upon the number of sprinkler heads upon which the customer's charge is currently based.

If you have any questions regarding your bill, please contact the District office and we will be happy to assist you.

**For more detailed information, please visit our website
www.MVUD.org**