

**MALLORY VALLEY UTILITY DISTRICT  
BOARD OF COMMISSIONERS MEETING  
November 22, 2013**

The regular monthly meeting of the Board of Commissioners of Mallory Valley Utility District was held at 8:00 A.M. on Friday, November 22, 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 November 22, 2013 were, Guy Nerren, Dan Coley & Ron Coker. Others present for the meeting were Keith Davis, Don Scholes, Michael Morgan, and Jenny Clarke.

The first order of business was the approval of the minutes of the October 25, 2013 board meeting. A motion was made by Mr. Coker and seconded by Mr. Nerren to approve the minutes of the October 25, 2013 meeting. After full discussion, the motion was approved.

The next order of business was the Board of Commissioner's acceptance of Ansley Coode's resignation as General Manager of Mallory Valley Utility District. The Board of Commissioners acknowledged the receipt, and regretfully accept, the resignation of Ansley Coode as General Manager of MVUD. Further, the Board of Commissioners of MVUD would like to thank Ansley Coode for her 18 years of service to the District and wish her all the very best in her future endeavors.

The next order of business was the appointment of Jenny Clarke as the interim acting General Manager of Mallory Valley Utility District. A motion was made by Mr. Coker and seconded by Mr. Nerren to approve the appointment of Jenny Clarke as the interim acting General Manager of Mallory Valley Utility District. After full discussion, the motion was approved.

The next order of business was the consideration of revisions to the District's Personnel Policy. After discussion, the Board decided to defer consideration until next month.

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. Nerren and seconded by Mr. Coley approving a Christmas bonus for each employee in the amount of \$500.00 for a total amount of \$6,000.00 for all District employees. After full discussion, the motion was unanimously approved.

The next order of business was a presentation of the findings of the 2013 water rate study, performed by Hethcoat & Davis, Inc. and District staff. After careful consideration and evaluation, Mr. Hethcoat and staff recommended the following rate structure:

Water usage per month between 0 and 20,000 gallons at a rate of \$5.00 per 1,000 gallons  
Water usage per month between 20,000 and 100,000 gallons at a rate of \$6.00 per 1,000 gallons  
Water usage per month above 100,000 gallons at a rate of \$6.50 per 1,000 gallons.

Staff recommended that this new rate structure become effective with the water bills due on or after February 1, 2014. The District's cost of water is its largest operating expense. The District's water

supplier, Harpeth Valley Utilities District (HVUD), recently notified the District that its rate for water service will be increased by 8% effective February 1, 2014. Staff reminded the Board that HVUD increased its water rate to the District in February 2013 by 8% which the District absorbed into its operations and did not pass along to its customers. In 2012 HVUD increased the District's water rate by 9%, and the District did not change the monthly service rates for the majority of its customers when this 2012 rate increase became effective. Staff further reported that the revised water rates take into account not only the rate increases from HVUD but also the District's projected operating and maintenance expenses and depreciation and debt service payments for the next couple of years. A motion was made by Mr. Coley and seconded by Mr. Nerren to approve the rate increase as recommended by the Staff. After full discussion, the motion was unanimously approved.

The next order of business was the consideration of the Contract to Audit Accounts. Staff recommended approval of the proposal from Yeary, Howell & Associates to perform the District's 2012-2013 fiscal year audit. A motion was made by Mr. Coker and seconded by Mr. Nerren to accept the audit proposal by Yeary, Howell & Associates to conduct the audit for the District's October 1, 2012 through September 30, 2013 fiscal year. After full discussion, the motion was approved. A copy is attached hereto as "Exhibit A".

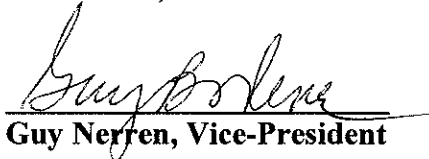
The next order of business was approval of the Adjustment Log for October 2013. A motion was made by Mr. Coley and seconded by Mr. Nerren to approve the Adjustment Log in the amount of \$306.25. After full discussion, the motion was approved. A copy is attached hereto as "Exhibit B".

The next regular Board of Commissioners meeting will be held at 8:00 A.M. on Friday, December 27, 2013.

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



**Ron Coker, President**



**Guy Nerren, Vice-President**

12/27, 2013  
Date