

**MALLORY VALLEY UTILITY DISTRICT
BOARD OF COMMISSIONERS MEETING
APRIL 25, 2008**

The scheduled meeting of the Board of Commissioners of Mallory Valley Utility District was held at 8:00 A.M. on Friday, April 25, 2008, at the District's business office located at 465 Duke Drive, Franklin, Tennessee. The scheduled 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 March 28, 2008 board meeting. A motion was made by Mr. Coker and seconded by Mr. Nerren to approve the minutes of the March 28, 2008 meeting. After full discussion, the motion was unanimously approved.

The next order of business was the consideration of the award of the contract for the Beech Creek Water Improvements, Water Transmission Line – Contract A and the award of the contract for the Beech Creek Water Improvements, Water Pumping Station – Contract B. A motion was made by Mr. Nerren and seconded by Mr. Coley to award the contract for the Beech Creek Water Improvements, Water Transmission Line – Contract A to the lowest bidder, Garney Construction, in the amount of \$6,157,577.00 and to award the contract for the Beech Creek Water Improvements, Water Pumping Station – Contract B to the lowest bidder, Richland, LLC, in the amount of \$2,196,591.00. After full discussion the motion was unanimously approved.

The next order of business was a discussion with Mr. Scholes regarding the pending case of *Petrosky v. Mallory Valley Utility District et al.* The Board went into executive session with the Board members, Ms. Coode and Mr. Scholes present for this discussion. After the executive session ended, Mr. Coker announced that the Board was resuming its regular meeting. A motion was made by Mr. Coker and seconded by Mr. Coley to accept the proposed settlement offer which the attorney representing the District, Chris Anderson, had received from Mr. Petrosky's attorney subject to the approval of Cincinnati Insurance Company. After full discussion, the motion was unanimously approved.

The next order of business was the approval of the Loan Resolution authorizing the District to borrow \$3,600,000 from the United States Department of Agriculture, Rural Utilities Service in connection with the Beech Creek project. A motion was made by Mr. Coker and seconded by Mr. Coley to adopt the Loan Resolution. After full discussion, the motion was unanimously approved and the Loan Resolution was executed. The Loan Resolution is attached hereto as "Exhibit A".

The next order of business was the consideration of the Agreement among Mallory Valley Utility District, Milcrofton Utility District and the Harpeth Valley Utilities District which amends Mallory Valley Utility District's existing water purchase contract with Harpeth Valley Utilities District which would permit Mallory Valley Utility District to sell water to Milcrofton Utility District without adversely affecting the existing water purchase contract. A motion was

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made by Mr. Coker and seconded by Mr. Coley to approving the Agreement. After full discussion, the motion was unanimously approved, and the Agreement was executed. A copy is attached hereto as "Exhibit B".

The next order of business was the consideration of the Water Sale and Purchase Contract between Mallory Valley Utility District and Milcrofton Utility District. Mr. Scholes advised the Board that Milcrofton Utility District had not yet acted on the Contract. A motion was made by Mr. Coker and seconded by Mr. Coley to approve the Contract as presented and authorized the the approval and execution of the Contract with any changes which were jointly recommended by Ms. Coode, Mr. Hethcoat and Mr. Scholes after review by Milcrofton Utility District. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit C".

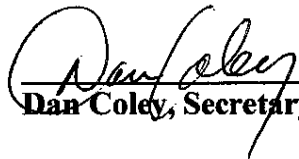
The next order of business was approval of the Adjustment Log for March 2008. A motion was made by Mr. Coley and seconded by Mr. Nerren to approve the Adjustment Log in the amount of \$681.15. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit D".

The next scheduled Board of Commissioners meeting will be held at 8:00 A.M. on Friday, May 23, 2008.

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



Ron Coker, President



Dan Coley, Secretary-Treasurer

May 23, 2008
Date