

**MALLORY VALLEY UTILITY DISTRICT
BOARD OF COMMISSIONERS MEETING
OCTOBER 24, 2008**

The scheduled meeting of the Board of Commissioners of Mallory Valley Utility District was held at 8:00 A.M. on Friday, October 24, 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 September 26, 2008 board meeting. A motion was made by Mr. Coker and seconded by Mr. Coley to approve the minutes of the September 26, 2008 meeting. After full discussion, the motion was unanimously approved.

The next order of business was the presentation to the Board of Commissioners of the proposed Bond Resolution authorizing the issuance of its \$3,600,000 Waterworks Revenue Bond, Series 2008. Upon review of the said Resolution and upon motion duly made by Commissioner Ron Coker and seconded by Commissioner Guy Nerren, it was unanimously resolved that the same be adopted and quadruplicate originals of the Bond Resolution were executed during the course of the meeting. The Bond Resolution is attached as "Exhibit A."

The next order of business was consideration of the quote provided by ECS Southeast, LLC for geotechnical services to be performed at the Lynnwood Tank Storage site. A motion was made by Mr. Nerren and seconded by Mr. Coker to authorize ECS Southeast, LLC to provide geotechnical services at the Lynnwood Tank Storage site for a price of \$18,642.40. After full discussion, the motion was unanimously approved.

The next order of business was staff's recommendation to reduce the Performance Bond to a Maintenance Bond for the Crescent Resources – Nine Corporate Centre water line installation.

Performance Bond: \$14,748.75
Maintenance Bond: \$ 2,212.31

A motion was made by Mr. Coley and seconded by Mr. Coker to reduce the bond. After full discussion, the motion was unanimously approved.

The next order of business was the election of a new Commissioner to fill the upcoming vacancy on the Board which will occur upon the expiration of the term of Commissioner Guy Nerren on November 19, 2008. Commissioner Ron Coker moved that the Board elect Guy Nerren to fill this upcoming vacancy. This motion was seconded by Commissioner Dan Coley and passed by a vote of 2-0. Commissioners Ron Coker and Dan Coley signed a Resolution re-electing Guy Nerren to another four year term which term will end on November 19, 2012, which Resolution is incorporated in these minutes and is attached as "Exhibit B." The Oath of Office was administered to Guy Nerren, and the General Manager was directed to file the Oath

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of Office with the Williamson County Clerk. After the Williamson County Clerk endorses the Oath of Office, a copy of the Oath of Office will be attached as "Exhibit C."

The next order of business was discussion of the Agreement to Allow Transfer of Projections of Water Supply, Demand and Extension of Contracts between Harpeth Valley Utilities District, Milcrofton Utility District and Mallory Valley Utility District. A motion was made by Mr. Coley and seconded by Mr. Nerren approving the Agreement. After full discussion, the motion was unanimously approved. A copy of the Agreement is attached hereto as "Exhibit D".

The next order of business was to adopt a Resolution establishing an identity theft prevention program for the District to detect, prevent and mitigate identity theft in connection with the District's customer accounts. A motion was made by Mr. Coker and seconded by Mr. Coley to adopt the Resolution. After full discussion, the motion was unanimously approved. The Resolution is attached hereto as "Exhibit E".

The next order of business was a request by staff to write off the uncollectible account on the District's fiscal year October 1, 2007 through September 30, 2008 Bad Debt List. A motion was made by Mr. Coley and seconded by Mr. Nerren to approve writing off the uncollectible accounts on the Bad Debt List in the amount of 225.89. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit F".

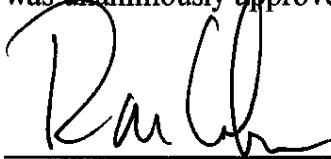
The next order of business was approval of the Adjustment Log for September 2008. A motion was made by Mr. Coker and seconded by Mr. Nerren to approve the Adjustment Log in the amount of \$3,454.00. After full discussion, the motion was unanimously approved. A copy is attached hereto as "Exhibit G".

The next order of business was a discussion of changing the District's current Leak Adjustment policy for water leaks which occur in customer irrigation systems. A motion was made by Mr. Coker and seconded by Mr. Coley to discontinue providing leak adjustments on irrigation systems as of January 1, 2009 and to change the District's leak adjustment rule to reflect this policy change. After full discussion, the motion was unanimously approved.

The next rescheduled Board of Commissioners meeting will be held at 8:00 A.M. on Wednesday, November 26, 2008.

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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

November 26, 2008
Date