

MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
January 5, 2006

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A regular meeting of the Board of Light, Gas and Water Commissioners, City of Memphis, was held in the Board room of the Administration Building, 220 South Main Street, Thursday, January 5, 2006 at 1:30 p.m. The following were in attendance: Rick Masson, Chairman; V. Lynn Evans, Vice Chairman; James L. Russell, Commissioner; Nick Clark, Commissioner; William L. Taylor, Commissioner; Joseph Lee, III, President and CEO; John McCullough, Vice President, CFO and Secretary-Treasurer; Odell Horton, Jr., Vice President and General Counsel; Diana Veazey, Vice President, Construction and Maintenance; Alonzo Weaver, Vice President, Customer Operations; Christopher Bieber, Vice President, Engineering; Carolyn Turman, Interim Vice President, Human Resources; and Linda Peppers, Vice President and Chief Technology Officer.

Vice Chairman Evans moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held December 15, 2005, that they be recorded as the official record, seconded by Commissioner Russell and unanimously carried.

The Secretary-Treasurer acknowledged receipt of certified copy of City Council Resolution dated December 6, 2005, Item No. 37 (revised), approving amendment to the MLGW Retirement and Pension System regarding actuarial funding, approved by the MLGW Board at meeting held November 3, 2005 (see Minute File No. 1275); and receipt of certified copies of City Council Resolutions dated December 20, 2005, Item Nos. 18 through 28, approving items approved by the MLGW Board at meeting held December 1, 2005 (see Minute File No. 1276) and Item No. 56, approving the MLGW 2006 Budget for operation and maintenance expenses and capital expenditures, approved by the MLGW Board at meeting held October 20, 2005 (see Minute File No. 1274.)

1. The Manager, Procurement and Contracts presented for approval of the Board of Light, Gas and Water Commissioners Contract No. 11100 between MLGW and New Cingular Wireless, LLC, entitled New Cingular Wireless, LLC Kirby-Messick Lease Agreement.

New Cingular Wireless, LLC wishes to lease space from MLGW on Tower No 2150, and will pay lease fees in the amount of \$120,000 over a five-year period. It is recommended that annual renewals be allowed.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Contract No. 11100 between MLGW and New Cingular Wireless, LLC, in the amount of \$120,000 is approved; and further,

THAT, The President or his designated representative is authorized to execute the contract.

2. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Expedited Procurement Request for Change No. 5 to Contract No. 10803, Data Processing Equipment Maintenance, with Mid-South Computer Services in an estimated funded amount of \$85,000.

The project scope is to renew the contract for the fourth and final term, January 1, 2006 to December 31, 2006, with no increase in contract rates. The new contract value is \$724,159.08.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 5 to Contract No. 10803 with Mid-South Computer Services in an estimated funded amount of \$85,000 as outlined in the foregoing preamble is approved; and further,

THAT, The President or his designated representative is authorized to execute the change.

3. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 3 to Contract No. 10824, Banner CIS Support II, with Margolis, Ainsworth, and Kinlaw Consulting, Inc. (MAK) to

change the scope to renew the contract for the third term of four renewal terms for the period February 1, 2006 to January 31, 2007, with no increase in contract value.

The project scope is to allow MAK to continue to provide personnel for technical information support in Information Services. The estimated fee for the covered period is \$150,000 and will not exceed the current contract value of \$9,726,929.73.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Change No. 3 to Contract No. 10824 with Margolis, Ainsworth and Kinlaw Consulting, Inc. as outlined in the foregoing preamble is approved; and further,

THAT, The President or his designated representative is authorized to execute the change.

4. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 1 to Contract No. 10985, Master Lease and License Agreement, with SkillSoft Corporation to extend the contract from January 1, 2006 to December 31, 2008, in the funded amount of \$72,711.35.

The project scope is for SkillSoft to continue to provide a Library License to MLGW to access up to 100 management, supervisory, desktop and safety courses with an audience size of 250 employees for the period January 1, 2006 to December 31, 2008. The courses are utilized by Training and Development to train MLGW employees for various work related tasks. A credit was given by SkillSoft for the period January 1, 2006 to March 14, 2006 to make the new payments for the purchased services in the amount of \$19,511.35 for year 2006 and \$26,600 for years 2007 and 2008, to be paid at the beginning of each year. The new contract value is \$136,011.35

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 10985 with SkillSoft Corporation in the funded amount of \$72,711.35 as outlined in the foregoing preamble is approved; and further,

THAT, The President or his designated representative is authorized to execute the change.

5. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 1 to Contract No. 11000, Proactive Dialer Solution, with Televox Software, Inc., with no increase in contract value.

The project scope is to allow Televox to continue to provide automated collection calls, pilot light-up calls, and planned-outage calls for Customer Service and Account Services for the first term of four renewal terms for the period January 1, 2006 to December 31, 2006. This renewal includes no increase in current rates. The existing contract value is \$200,000.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Change No. 1 to Contract No. 11000 with Televox Software, Inc. as outlined in the foregoing preamble is approved; and further,

THAT, The President or his designated representative is authorized to execute the change.

6. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 3 to Contract No. 11018, Trash Removal Services, with Waste Connections, Inc. in the funded amount of \$110,213.84.

The project scope is to furnish material, labor and equipment necessary for trash removal services at various MLGW facilities and to renew the contract for the second term, January 1, 2006 to December 31, 2006, with no increase in rates. This is the first of four renewals. The new contract amount is \$221,633.32.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 3 to Contract No. 11018 with Waste Connections, Inc. in the funded amount of \$110,213.84 as outlined in the foregoing preamble is approved; and further,

THAT, The President or his designated representative is authorized to execute the change.

7. By unanimous consent, Item No. 7, approval of Change No. 2 to Contract No. 11020, Janitorial Services, with Kimco Corporation in the funded amount of \$697,131.72, was deleted from the agenda.

8. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 1 to Contract No. 11045, MLGW Roofing Projects, with B Four Plied, Inc., to change the scope to cover additional work due to unforeseen problems with the roof decking, in the funded amount of \$17,613.

This project scope is to allow B Four Plied to replace 600 square feet of wood decking, wooden beams, decking and drains at water spouts, and broken transite decking due to unforeseen problems with the roof decking during re-roofing work on the roof of Choctaw North Wing "A". The new contract value is \$290,788.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Change No. 1 to Contract No. 11045 with B Four Plied, Inc. in the funded amount of \$17,613 as outlined in the foregoing preamble is approved; and further,

THAT, The President or his designated representative is authorized to execute the change.

9. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for one Digital Signal Zero (DSO) Expansion Shelf which must be compatible with General Electric's Junglemux SONET Multiplexer and operate in a substation control house environment. The expansion shelf shall support teleprotection and SCADA telemetry using DSO modules. DSO modules shall include two four-wire voice, fxO/fsx voice, asynchronous/synchronous (RS232, RS422 and V.35) data, contact input/output, and teleprotection (transfer trip and current differential).

Bids were opened on December 7, 2005. The lowest and best complying bidder of one bidder was General Electric Company, in the amount of \$49,776.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to General Electric Company is approved for furnishing:

1 – Digital Signal Zero (DSO) Expansion Shelf which must be compatible with General Electric's Junglemux SONET Multiplexer and operate in a substation control house environment. The expansion shelf shall support teleprotection and SCADA telemetry using DSO modules. DSO modules shall include two four-wire voice, fxO/fsx voice, asynchronous/synchronous (RS232, RS422 and V.35) data, contact input/output, and teleprotection (transfer trip and current differential)

totaling \$49,776, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery in eight weeks.

10. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for #1/0 solid soft-drawn wire which is used by Distribution Support crews to install and/or maintain the electric system.

Bids were opened on December 21, 2005. The lowest and best complying bidder of three bidders was Tennessee Valley Electric Supply Company in the amount of \$30,330.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Tennessee Valley Electric Supply Company is approved for furnishing:

9,000 lbs. - #1/0 solid soft-drawn wire

totaling \$30,330, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery in nine weeks.

11. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners ratification of award of emergency Purchase Order No. 126597 for Substation No. 72 capacitor bank to provide proper voltage regulation for Shaw Water Pumping Station. This emergency purchase was necessary to expedite delivery; quoted delivery times were 22-29 weeks after receipt of order. The bank has to be installed and energized by June 2006 to maintain system reliability during summer peak load.

The emergency purchase order was issued to Cooper Power Systems, Inc. who was previously awarded an order for similar material in 2005 and has approval drawings on file.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Award of emergency Purchase Order No. 126597 to Cooper Power Systems, Inc. for providing one 23.9 kv capacitor bank in complete accordance with MLGW specification dated September 28, 2005 and data sheet "CBZ2 is ratified and will be sent to the Council of the City of Memphis for ratification

totaling \$59,500, f.o.b. Memphis, Tennessee; transportation prepaid; said prices being firm; delivery 22 weeks after receipt of order.

12. The President submitted for approval of the Board position numbers 00585, 03956, 05322, 06020, 06022 and 05644, as listed on the attached documents (see Minute File No. 1277.)

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Position numbers 00585, 03956, 05322, 06020, 06022 and 05644, as listed on the attached documents, are approved.

13. The Vice President, Engineering submitted for approval of the Board a resolution showing support of the Plug-In Partners National Campaign as follows:

- Memphis and the County of Shelby are currently designated by the U.S. Environmental Protection Agency as marginal non-attainment. Memphis Light, Gas and Water Division (MLGW) wishes to promote clean energy development and technology through partnership with the Plug-in Partners National Campaign in order to result in fewer emissions in the Memphis and Shelby County area.
- Automobile emissions are a major contributing factor to air pollution which threaten the health of our citizens and the sustainability of our planet.
- The imbalance between petroleum resources and worldwide demand is escalating gasoline prices at an increasing rate and to levels that overburden commerce, hurt economic growth and cause serious hardship on our citizens.
- There is a great opportunity for electrifying the transportation sector through the use of electric vehicles, plug-in hybrid vehicles and other non-polluting transportation alternatives that could reduce oil imports, fuel costs to our citizens, and air emissions. The transportation sector will ultimately move away from the use of petroleum transitioning to sustainable and non-polluting alternatives.

- There may be substantial economic environmental benefits for the community from the unification of the stationary electric sector with the transportation sector.
- MLGW can maximize its benefits to the citizens of Memphis and the County of Shelby by utilizing its electric system to provide 'electric fuel' to the transportation sector resulting in desirable increased night time load and revenue.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, MLGW will work with the Plug-In Partners National Campaign, local governments, education, business, and the environmental community to advocate for the development, marketing and purchase of flexible fuel plug-in hybrid electric vehicles (PHEV's) by residents and businesses of Memphis and the County of Shelby.

14. WHEREAS, appropriate departments of the Engineering Division and the Vice President, Engineering approved the release of utility easements as follows:

PORTIONS of two 3.5-ft.-wide multi-purpose utility easements recorded under Instrument No. 03247616 in the Register's Office of Shelby County, Tennessee, across Lot 33, Final Plat the Orchards at Kirby Parkway East Planned Development, Phase 1 as recorded in Plat Book 206, Page 13 in the Register's Office of Shelby County, Tennessee, to Icon Investments, LLC, a Tennessee limited liability company and Kenny Cook Construction Company, Inc., a Tennessee corporation, or their successors in title, for the sum of \$1.00. Property addressed as 6706 Vinings Creek Cove East.

VARIOUS multi-purpose utility easements as recorded under Instrument No. 05164501 in the Register's Office of Shelby County, Tennessee, across Lots 180 through 186, inclusive, Unrecorded Plat of Final Plat, Part of Parcels 3 and 5 Gerland Creek P.D. Phase 8 (Whisper Ridge), to Whisper Ridge, GP, a Tennessee general partnership composed of CMCS Developments, LLC, Terry Pagliari, LLC, Terry Dan LLC, and Billy Perry, LLC, all Tennessee limited liability companies, or their successors in title, for the sum of \$1.00. Property located on the northwest corner of Gerland Creek Parkway and Hughes Meadows Drive.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Release of easements across the above described properties is approved; and further,

THAT, The Board of Light, Gas and Water Commissioners recommends to the Mayor of the City of Memphis that the appropriate release deeds be executed releasing said easements to the current property owners for a consideration of \$1.00 each.

15. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 2 to Contract No. 11020, Janitorial Services, with Kimco Corporation to extend the contract for 30 days in the funded amount of \$62,188.

The project scope is to furnish material, labor and equipment that is necessary to perform house cleaning services at various MLGW facilities for an additional 30 days, with all other terms and conditions remaining the same. This extension is necessary for further review of the annual contract renewal. The new contract amount is \$675,112.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 2 to Contract No. 11020 with Kimco Corporation in the funded amount of \$62,188 as outlined in the foregoing preamble is approved; and further,

THAT, The President or his designated representative is authorized to execute the change.

16. The Vice President, Construction and Maintenance submitted for consideration of the Board the following amendments to the language of the 2006 Gas Service Policy, 2005 Electric Service Policy and 2004 Water Service Policy as shown on the attached document (see Minute File No. 1277):

2006 Gas Service Policy – Sec. 103.12	Design and Cost Estimate
2005 Electric Service Policy – Sec. 1.2.5	Easement Rights and Permits, Cost Estimates, and Financial Arrangements
2004 Water Service Policy – Sec. 12.2.1	Financing Main Extensions

These amendments will assist in the equitable development of housing funded by Memphis Housing Authorities.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor and unanimously carried:

THAT, Effective immediately, amendments to the language of the 2006 Gas Service Policy, 2005 Electric Service Policy and 2004 Water Service Policy as outlined in the foregoing preamble are approved.

17. Ms. Sandra Kinsey, 7613 Dexter Hills, appeared before the Board to discuss various issues.

18. Ms. Sherry DuBose, 384 S. Goodlett, appeared before the Board to discuss various issues.

19. Mr. William R. "Dick" Gardiner, 1734 Gosnold Bluff Rd., appeared before the Board to discuss various issues.

There being no further business presented, the meeting was adjourned.

SEE MINUTE FILE NO. [1277](#).