

MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
January 18, 2007

A regular meeting of the Board of Light, Gas and Water Commissioners, City of Memphis, was held at Memphis Light, Gas & Water Division, 220 S. Main, Thursday, January 18, 2007 at 1:30 p.m. The following were in attendance: Rick Masson, Chairman; V. Lynn Evans, Vice Chairman; 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; Armstead Ward, Vice President, Human Resources; and Linda Peppers, Vice President and Chief Technology Officer.

Commissioner Clark moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held January 4, 2007, that they be recorded as the official record, seconded by Commissioner Taylor, and unanimously carried.

The Secretary-Treasurer acknowledged receipt of certified copies of City Council Resolutions dated January 2, 2007, Items Nos. 9 through 16, approving items approved by the MLGW Board at its meeting held December 21, 2006. (See Minute file No. 1288.)

Christopher Bieber, Vice President of Engineering, presented a check to United Way in the amount of \$802,530.37.

Chairman Masson turned the duties of Chairman over to Vice Chairman Evans and then presented the performance evaluation of Joseph Lee, III, President and CEO.

It was moved by Commissioner Masson, seconded by Commissioner Taylor, and unanimously carried that the performance evaluation of Joseph Lee, III, as presented, is approved. (Complete discussion is on tape and copy of performance evaluation is located in Minute File. No. 1289.)

Acting Chairman Evans turned the duties of Chairman back over to Commissioner Masson.

Chairman Masson asked Commissioner Taylor to serve as Chair of the Human Resources Committee, which Commissioner Taylor accepted.

1. The Manager of Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners that it award the purchase of fifty (50) Landis & Gyr Model #8220A1200000 multifunction meters made in accordance to MLGW specification. The multifunction meters are used to meter MLGW's electric consumption at two of MLGW's tie points with TVA. The readings from these meters are used to compare our measured consumption to the consumption that is billed by TVA.

Bids were opened on November 29, 2006 with the only bid received being from the firm of Stuart C. Irby, in the amount of \$98,250.00; this is a single source item through Landis & Gyr.

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

THAT subject to the consent and approval of the Council of the City of Memphis, award of contract with Stuart C. Irby is approved for furnishing:

50 – Landis & Gyr Model #8220A12000005 multifunction meters made in accordance to MLGW specifications at \$1,965.00 each;

totaling \$98,250.00; f.o.b. Memphis, Tennessee, our dock, transportation prepaid; said price being firm; delivery in 4-5 weeks, ARO.

2. The Manager of Procurement and Contracts submitted for consideration of the Board offers opened at 2 o'clock p.m., Wednesday, December 20, 2006, for the annual sale of scrap aluminum material. Analysis shows that Metal Processors Inc. submitted the best offer for this material.

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

THAT, The offer of Metal Processors Inc. be, and is hereby, accepted as follows:

approximately 55,000 lbs. of cast aluminum, at \$34.65 per cwt.,

approximately 20,240 lbs. of bare aluminum wire (ACSR), at \$16.79 per cwt.,

approximately 39,000 lbs. of aluminum scrap wire neoprene-covered copper shield, at \$23.40 per cwt,

approximately 68,000 lbs. of aluminum/steel (ACSR) wire bare (sizes up through 350 MCM), at \$40.80 per cwt,

approximately 1,000 lbs. of miscellaneous aluminum, copper, steel sleeves & fittings, including contaminated heads, at \$3.80 per cwt.,

approximately 69,000 lbs. of aluminum scrap wire, neoprene-covered, at \$41.40 per cwt.,

approximately 69,000 lbs. of aluminum/steel (ACSR) neoprene-covered wire, at \$41.40 per cwt.,

totaling \$198,829.20 (approximately) with the understanding that the prices quoted are subject to adjustment based on market prices as reported in the American Metal Market and, further, that release of these scrap metals will be in accordance with MLGW bidding requirements dated November 27, 2006, a copy of which will be placed on file in MLGW'S General Accounting Department.

3. The Manager of Procurement and Contracts submitted for consideration of the Board offers opened at 2 o'clock p.m., Wednesday, December 20, 2006, for the annual sale of scrap copper material. Analysis shows that TOTALL Metal Recycling submitted the best offer for this material.

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

THAT, the offer of TOTALL Metal Recycling be, and is hereby, accepted as follows:

approximately 84,000 lbs. of mixed brass, at \$125.16 per cwt.,

approximately 22,000 lbs. of bare copper, at \$67.10 per cwt.,

approximately 20,000 lbs. of bare tinned, at \$55.80 per cwt.,

approximately 58,000 lbs. of #1 W.R. copper, W.P. covered, at \$132.24 per cwt.,

approximately 141,000 lbs. of #2 W.R. copper, W.P. covered, at \$189.64 per cwt.,

approximately 31,000 lbs. of copper/lead communication cable paper/textile insulated, at \$22.44 per cwt.,

approximately 40,000 lbs. of copper/lead ins. cable (sizes up to 350 MCM), at \$28.96 per cwt.,

approximately 169,000 lbs. of cable, copper conductor, paper insulated, lead covered and polyethylene jacketed, 350 MCM and above, at \$205.50 per cwt.,

approximately 1,000 lbs. of copperweld, at \$1.52 per cwt.,

approximately 1,000 lbs. of lead, at \$4.10 per cwt.,

approximately 1,000 lbs. mixed copper, brass molded fittings and current transformers at \$2.00 per cwt.

totaling \$827,615.00 (approximately) with the understanding that the prices quoted are subject to adjustment based on market prices as reported in the American Metal Market and, further, that release of these scrap metals will be in accordance with MLGW bidding requirements dated November 27, 2006, a copy of which will be placed on file in MLGW's General Accounting Department.

4. The General Counsel submitted to the Board the December 31, 2006 Quarterly Report of the Customer Advocate Committee. It is recommended that the Board approve and uphold the decisions reflected in the December 31, 2006 Quarterly Report of the Customer Advocate Committee.

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

THAT, The attached December 31, 2006 Quarterly Report of the Customer Advocate Committee (See Minute File No. 1289) is approved and will be upheld by the Board.

5. The Vice President of Engineering submitted for consideration of the Board invoice received from Tennessee Valley Public Power Association covering membership dues for 2007. The invoice is rendered in the amount of \$44,546.22 and is in accordance with rates established by the Board of Directors of Tennessee Valley Public Power Association.

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

THAT, The Secretary-Treasurer is authorized and directed to have check issued in the amount of \$44,546.22, payable to the Tennessee Valley Public Power Association covering membership dues for 2007. This item is included in the 2007 budget.

6. The President and CEO submitted for approval of the Board the following position numbers, per the attached documents (See Minute File No. 1289):

Position No. 03463, Associate Information Systems Specialist 3
Position No. 05786, Clerk, Human Resources 2
Position No. 05870, Crisis Management Coordinator

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

THAT, Position numbers 03463, 05786 and 05870, as listed in the foregoing preamble, are approved.

7. The Manager, Budget, Plant and Rates, presented for approval of the Board of Light, Gas and Water Commissioners in-lieu-of tax payment for 2006 in the amount of \$25,561.35 to Bob Patterson, Trustee, for property located at 246 S. Front Street (Beale Street Landing Garage).

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

THAT, In-lieu-of tax payment for 2006 in the amount of \$25,561.35 to Bob Patterson, Trustee, for property located at 246 S. Front Street (Beale Street Landing Garage), is approved.

8. The Manager of Procurement and Contracts has recommended to the Board of Light, Gas and Water Commissioners that it approve the award of Contract No. 11193 made to KIMCO Corporation to replace Contract No. 11136 awarded to FME at the Board's meeting of October 5, 2006 for janitorial services at various MLGW locations.

FME advised MLGW of their decision to withdraw their offer to contract with MLGW. It is therefore her recommendation and that of the Division's Facilities and Loss Prevention Department that this contract be awarded to the next lowest and best complying bidder, KIMCO Corporation in the funded amount of \$116,350.00.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of Contract No. 11193 to KIMCO Corporation, as outlined in the foregoing preamble, is approved; and further,

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

9. The Manager of Procurement and Contracts has recommended to the Board of Light, Gas and Water Commissioners, a Procurement Request, Change No. 2 to Contract No. 11026, Division Audit, with Watkins Uiberall, PLLC to include the audit of the division ending December 31, 2006 in an estimated funded amount of \$243,000.

The project scope is to allow Watkins Uiberall, PLLC and Banks, Finley, White to perform the year ending December 31, 2006 audit. The current Contract will increase from \$436,000 to \$679,000.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 2 to Contract No. 11026 with Watkins Uiberall, PLLC in an estimated funded amount of \$243,000.00, as outlined in the foregoing preamble, is approved; and further,

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

10. Bill Hawkins, Assistant Business Manager, IBEW Local 1288, 4000 Clearpool Circle, appeared before the Board to discuss various matters.

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

SEE MINUTE FILE NO. 1289.

Secretary-Treasurer