

MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
February 3, 2005

19

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, February 3, 2005 at 1:30 p.m. The following were in attendance: L. R. Jalenak, Chairman; Rick Masson, Vice Chairman; James L. Russell, Commissioner; V. Lynn Evans, Commissioner; Nick Clark, Commissioner; Joseph Lee, III, President and CEO; John McCullough, Vice President, CFO and Secretary-Treasurer; Wade Stinson, Vice President, Construction and Maintenance; Alonzo Weaver, Vice President, Customer Operations; Chris Bieber, Vice President, Engineering; and Linda Peppers, Vice President and Chief Information Officer. Charlotte Knight-Griffin attended in the absence of Max Williams, Vice President and General Counsel.

Commissioner Russell moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held January 20, 2005, that they be recorded as the official record, seconded by Vice Chairman Masson and unanimously carried.

The Secretary-Treasurer acknowledged receipt of certified copies of City Council resolutions dated January 18, 2005, Item Nos. 6 through 11, approving items approved by the MLGW Board at meeting held January 6, 2005 (see Minute File No. 1265); and Item Nos. 34 and 35, approving pension amendments approved by the MLGW Board at meeting held December 16, 2004 (see Minute File No. 1264.)

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 10 to Contract No. 10780, Electric Construction and Maintenance, with Allied Electrical Contractors, Inc. to extend the contract not to exceed 60 days beginning February 3, 2005, retroactive to August 15, 2004, with no increase in present contract rates. The contract value is increased in an estimated/funded amount of \$850,000, which includes \$400,000 for work already performed.

The project scope extends the contract not to exceed 60 days beginning February 3, 2005, until all new contract language and procedural revisions are approved and implemented. The new contract value is \$7,817,995.54 covering the period July 19, 2001 to present.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 10 to Contract No. 10780 with Allied Electrical Contractors, Inc. in an estimated/funded amount of \$850,000 as outlined in the foregoing preamble is approved; and further,

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

2. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 5 to Contract No. 10802, Siemens Maintenance, with Converged Solutions Group, LLC (CSG) to purchase additional T-1 equipment and provide maintenance for additional communication equipment products in the funded amount of \$16,174.15.

The project scope has changed to cover the cost to purchase additional T-1 equipment that was not ordered after the actual move from the Administration Building to the Netters Business Operations Center and for additional support for four 24-port optiset cards, two 24-port analog cards, a 64-minute XMU, and a remote communication shelf for the period January 1, 2005 to December 31, 2005. The new contract value is \$184,134.31.

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

THAT, Change No. 5 to Contract No. 10802 with Converged Solutions Group, LLC in the funded amount of \$16,174.15 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. 2 to Contract No. 11011, North Service Center Roofing Projects, with B Four Plied, Inc. to perform emergency roof repairs to Building Nos. 5, 6 and 8 at the North Service Center in the funded amount of \$30,316.

The project scope has changed to allow B Four Plied, Inc. to perform emergency roof repairs as a result of wind storm damage on January 13, 2005 to prevent further internal structure damage. Building No. 5 will require replacement of 15 square feet of roof damage due to a vent being blown off; Building No. 8 will require replacing approximately 1600 square feet of roofing that was blown off and 6700 square feet of roofing that was damaged; and Building No. 6 will require replacement of approximately 60 feet of 4-inch striping to the flashing. The new contract value is \$212,515.64.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 2 to Contract No. 11011 with B Four Plied, Inc. in the funded amount of \$30,316 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. 11018, Trash Removal Services, with ECO Services, LLC (ECO) to change the scope to hereby request that MLGW consent to the assignment of Contract No. 11018 with ECO to Waste Connections, Inc. (WCI) with no increase in present contract value.

The project scope is changed to accept the assignment of Contract No. 11018 with ECO to WCI due to WCI's acquisition of ECO's assets.

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

THAT, Change No. 1 to Contract No. 11018 with Waste Connections, Inc. with no increase in present contract value 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 rejection of bids received up to 4:00 p.m. on Tuesday, December 21, 2004, and publicly opened and read on Wednesday, December 22, 2004, at 2:00 p.m. for Contract No. 11025, Emergency Generator for Sheahan Pumping Station.

The bids are being rejected by Water Engineering because all four bids are in excess of funds in the approved project budget. The staff will explore the possibility of MLGW partnering with the University of Memphis on a generation project that could provide significant cost savings to MLGW. The approved funds will be moved to a different Work Request and used to solicit bids for an Emergency Generator for the Morton Water Pumping Station.

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

THAT, All bids for Contract No. 11025 be and are hereby rejected and the funds be utilized to solicit bids for an Emergency Generator System for the Morton Water Pumping Station.

6. The Vice President, Customer Operations submitted for consideration of the Board changes to the MLGW Natural Gas Hedging Policy "Committee" which was originally established by the Board on August 22, 2002.

This Hedge Committee presently consists of the Vice President, Operations, the General Auditor, the Senior Vice President, CFO and Secretary-Treasurer, the Vice President and General Counsel, and a designated administrator from the Energy Resources area.

A new Hedge Committee should consist of the Vice President, Customer Operations, the Senior Supervising Auditor of Internal Audit, the Vice President, CFO and Secretary-Treasurer, the Vice President and General Counsel, and a designated administrator from the Energy Resources area.

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

THAT, Changes to the MLGW Natural Gas Hedging Policy "Committee" as outlined in the foregoing preamble are approved.

7. On May 1, 2003, the Board of Light, Gas and Water Commissioners adopted an Amendment to the Memphis Light, Gas and Water Division (MLGW) PPO (Preferred Provider Organization) Medical Benefit Plan designating the Insurance Department of MLGW as the health care component of MLGW. The Insurance Department oversees the PPO Plan, Health Maintenance Organization Plans (HMO), the MLGW Flexible Compensation Plan, and certain disability, life insurance, and long term care benefits, each of which plans may involve protected health

information, as defined and governed by regulations issued under the Health Insurance Portability and Accountability Act of 1996.

The Insurance Department oversees certain contracts with respect to such plans, including contracts with third party administrators of such plans, contracts with consultants and actuaries who provide services to such plans, and business associate agreements with respect to such plans. As the health care component of MLGW, it is appropriate that the Manager, Risk Management, who oversees the Insurance Department, be authorized to execute as an authorized signatory on behalf of MLGW, those contracts involving the PPO Plan, HMO Plans, the Flexible Compensation Plan, the disability, life insurance, and long term care benefits plans, once such plans have been duly approved by the Board of Light, Gas and Water Commissioners. This signatory authority shall extend to, and solely to, those contracts involving such plans administered by the Insurance Department under its powers as the health care component of MLGW that have been duly approved by the Board of Light, Gas and Water Commissioners.

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

THAT, The Manager, Risk Management, who oversees the Insurance Department that acts as the health care component of MLGW, be authorized to execute as an authorized signatory on behalf of MLGW, those contracts involving the PPO Plan, HMO Plans, the Flexible Compensation Plan, the disability, life insurance, and long term care benefits plans, once such plans have been duly approved by the Board of Light, Gas and Water Commissioners. This authority shall extend to, and solely to, those contracts involving such plans administered by the Insurance Department under its powers as the health care component of MLGW that have been duly approved by the Board of Light, Gas and Water Commissioners; and further,

THAT, To the extent the Manager, Risk Management has heretofore executed any such approved contracts by and on behalf of MLGW, such signature is hereby ratified and reaffirmed.

8. The Manager, Electric Engineering submitted for consideration of the Board release of the following utility easements:

PORTION of a 5-ft.-wide easement as recorded in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument No. FM-5480 across part of Lots 7 and 8, Final Plan 2nd Amendment, Southwind P.D. Phase XXXVII, Part of Parcel 10 (The Gardens of Southwind) as re-re-re-recorded in Plat Book 186, Page 51, in the Register's Office of Shelby County, Tennessee, to Sparkman Home Builders, LLC, or its successor in title, for the sum of \$1.00. Property is located on the north side of Windgarden Cove (private), approximately 584.04 feet northwardly from the centerline of

Southwind Drive (private), as measured along the centerline of Windgarden Cove. Lot 7 is addressed as 3544 Windgarden Cove and Lot 8 is addressed as 3540 Windgarden Cove.

PORTION of an 8-ft.-wide easement as recorded in Book 6238, Page 126, in the Register's Office of Shelby County, Tennessee described under Instrument No. 04003338, to Poplar Station, LLC, or its successor in title, for the sum of \$1.00. Property is located on the northwest corner of Poplar Avenue and Massey Road.

PORTION of an 8-ft.-wide easement as recorded in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book, under Instrument No. X3-9973 across a tract of land described under Instrument No. LG-7964, to Whitten Bend Investors, L.P., or its successors in title, for the sum of \$1.00. Property is located on the northwest corner of Interstate Highway No. 40 and Charles Bryan Road.

AN 8-ft-wide easement as recorded in the Register's Office of Shelby County, Tennessee, in the Register's Official Record Book under Instrument No. JX-5095 across a tract of land described under Instrument No. LG-7964, to Whitten Bend Investors, L.P., or its successors in title, for the sum of \$1.00. Property is located on the northwest corner of Interstate Highway No. 40 and Charles Bryan Road.

It was moved by Vice Chairman Masson, seconded by Commissioner Clark 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 appropriate release deeds be executed releasing said easements to the current property owners for a consideration of \$1.00 each.

9. The Manager, Electric Engineering presented for consideration of the Board approval to acquire easement rights for a 225 ft. wide transmission line from Charles Stewart and wife, Evelyn W. Stewart, for a proposed transmission line circuit, said property being shown on the attached sketch (see Minute File No. 1266) and more particularly described as follows:

This easement is across a tract of land conveyed to Charles Stewart and wife, Evelyn W. Stewart, by deed of record as described in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument No. CB-6987 and designated Tract II and being the same property as shown on the attached plat prepared by Ollar Surveying Company and dated December 21, 2004 and made a part hereof . (See Minute File No. 1266.)

Said easement is described in metes and bounds as prepared by Ollar Surveying Company and shown on Page 2 of this easement contract and made a part hereof

Included with the right of the above described permanent easement is the right for Memphis Light, Gas and Water Division (MLGW) to cut down and remove from the above described easement all trees and to trim all limbs overhanging into said easement. Any fencing within said easement must be approved by MLGW. Grantor of this easement further agrees to allow MLGW to remove any fences that would interfere with the operation of construction equipment within said

easement. In the event fences are removed, MLGW will assume the responsibility at their cost to replace any fences removed in as good or better condition than they were at the time of their removal. MLGW shall be liable for any damages to growing crops by its employees or by its agents or contractors in the exercise of the easements and rights-of-ways during the construction process.

Property located on the northeast corner of Millington-Arlington Road and Big Creek Drainage Canal.

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

THAT, Purchase of the easement described in the above preamble for the sum of \$16,238 to be funded from the Electric Division included in the 2005 Budget is approved; and further,

THAT, The President or his designated representative of the Division is hereby authorized to execute the purchase of said easement.

10. The Manager, Electric Engineering presented for consideration of the Board purchase of the following described easement from Iska Taylor Duke, Donna Lynn Duke-Orner, and Dale Duke Crenshaw for a proposed electric transmission line extension, said easement being shown on the attached sketch (see Minute File No. 1266) and more particularly described as follows:

This easement is across the unsold portion of a tract of land conveyed to Iska Taylor Duke, Donna Lynn Duke, and Dale Duke Crenshaw by deeds of record as described in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument Nos. L7-0090 and L7-5170, and being the same property as shown on the attached plat prepared by Ollar Surveying Company and dated December 4, 2004 and made a part hereof. (See Minute File No. 1266.)

Said easement is described in metes and bounds by Ollar Surveying Company as shown on Page 3 of this easement contract and made a part hereof.

Included with the right of the above described permanent easement is the right for Memphis Light, Gas and Water Division (MLGW) to cut down and remove from the above described easement all trees and to trim all limbs overhanging into said easement. Any fencing within said easement must be approved by MLGW. Grantor of this easement further agrees to allow MLGW to remove any fences that would interfere with the operation of construction equipment within said easement. In the event fences are removed, MLGW will assume the responsibility at their cost to replace any fences removed in as good or better condition than they were at the time of their removal. MLGW shall be liable for any damages to growing crops by its employees or by its agents or contractors in the exercise of the easements and rights-of-ways during the construction process.

Property located on the northwest side of Austin Peay Highway, approximately 1940 feet southwestwardly of the south line of Millington-Arlington Road as measured along the northwesterly line of Austin Peay Highway.

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

THAT, The Board of Light, Gas and Water Commissioners recommends to the Council of the City of Memphis, the purchase of the easement described in the above preamble from Iska Taylor Duke, Donna Lynn Duke-Orner, and Dale Duke Crenshaw for and in consideration of \$45,083.18, to be funded from the Electric Division included in the 2005 Budget; and further,

THAT, The President or his designated representatives be and are hereby authorized to purchase the easement described in the above preamble.

11. The Manager, Electric Engineering presented for consideration of the Board a Contract of Sale for the purchase of property from Iska Taylor Duke, Donna Lynn Duke-Orner, and Dale Duke Crenshaw for a proposed Gate Station, said property being shown on the attached sketch (see Minute File No. 1266) and more particularly described as follows:

BEING a portion of the same property conveyed to Iska Taylor Duke, Donna Lynn Duke and Dale Duke Crenshaw, by deeds of record as described in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument Nos. L7-0090 and L7-5170, said portion being shown on the attached sketch (see Minute File No. 1266) and described as follows:

COMMENCING at a found iron pin at the southwest corner of said property recorded in Instrument No. L7-0090, said point being in the southeast line of Austin Peay Highway (150' wide per Instrument No. L7-0090) and being in the north line of the Drew Henwood and Charlotte Henwood (Trustees) property recorded in Instrument No. CX-3033; thence north 41 degrees 18 minutes 39 seconds east along the southeast line of said Austin Peay Highway, 810.90 feet to a set ½ rebar with plastic cap, said point being the Point of Beginning; thence northwardly along the southeast line of said Austin Peay Highway the following calls: north 41 degrees 18 minutes 39 seconds east, 1841.47 feet to a set ½" rebar with plastic cap; south 48 degrees 41 minutes 21 seconds east, 50.00 feet to a set ½" rebar with plastic cap; north 41 degrees 18 minutes 39 seconds east, 15.16 feet to a set ½" rebar with plastic cap at the intersection of the southeast line of said Austin Peay Highway with the west line of Donnell Road (33' wide per Instrument No. L7-0090); thence south 07 degrees 51 minutes 06 seconds west along west line of said Donnell Road, 1595.74 feet to a set ½" rebar with plastic cap; thence north 78 degrees 09 minutes 21 seconds west across said property recorded in Instrument No. L7-0090, 1067.95 feet to the Point of Beginning and containing 895,671 square feet or 20.562 acres of land. Tax Parcel No. D1-17-182.

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

THAT, The Board of Light, Gas and Water Commissioners recommends to the Council of the City of Memphis, the purchase of property described in the above preamble from Iska Taylor Duke, Donna Lynn Duke-Orner, and Dale Duke Crenshaw, for and in consideration of \$247,200, to be funded from the Electric Division included in the 2005 Budget; and further,

THAT, The President or his designated representatives be and are hereby authorized to execute the appropriate Contract of Sale for the purchase of said property.

12. The Vice President, Engineering submitted for consideration of the Board, W. R. No. C3G86300 to transfer capital funds in the amount of \$1,700,000 for the purchase and installation of a two-megawatt emergency generator to power the Morton Pumping Station and select wells during a seismic or other event when electrical power is lost.

Funds will be taken from the 2005 Budget - Sheahan Install Emergency Generator - Item 40-5.

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

THAT, W. R. No. C3G86300 in the amount of \$1,700,000 as outlined in the foregoing preamble is approved.

13. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of an Expedited Procurement Request for Contract No. 11034, Auger Excavations Services, to McKinney Drilling Company in an estimated/funded amount of \$70,500, with \$24,999 already paid for services performed.

MLGW contracted with McKinney Drilling Company on September 24, 2004, to perform auger excavation services under Agreement No. C1255 and will exceed the agreement value of \$24,999. This expedited request would require immediate action to continue the services already provided by the contractor who was delayed due to unforeseen circumstances in performing this project. An additional estimated/funded amount of \$45,501 is needed to complete the services associated with the excavation services. The new contract amount is \$70,500.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of Contract No. 11034 to McKinney Drilling Company in an estimated/funded amount of \$70,500 as outlined in the foregoing preamble is approved; and further,

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

14. The Vice President, Engineering presented to the Board the dues and assessment fee request from the Large Public Power Council (LPPC) for the period January 1, 2005 through December 31, 2005. The LPPC agenda includes maintaining the tax-exempt status of bonds issued by public power companies such as MLGW, transmission access, mutual aid, environmental legislature, green initiatives, and the potential sale of the power marketing agencies.

The amount of the 2005 dues and assessment fee is \$89,098.63. As the work done by the LPPC is vital to MLGW, the staff recommends approval of the dues and assessment fee.

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

THAT, Authorization is granted to pay \$89,098.63 in dues and assessment fee to the Large Public Power Council for the year 2005.

15. WHEREAS, the Board of Light, Gas and Water Commissioners (the "Board") in its meeting of April 3, 2003, approved three Supplemental Life Insurance Programs with Manufacturers Life Insurance Company U.S.A. ("ManuLife") for key employees and appointed officials of the Division, one of which included key person insurance benefits owned by the Division for its benefit (the "Division Policies"); and

WHEREAS, the Board has determined that it is in the best interest of MLGW and its ratepayers that MLGW at this time cease further premium payments on the Division Policies; and

WHEREAS, the Board has determined that it is in the best interest of MLGW and its ratepayers with respect to the Division Policies to the extent such policies have a cash surrender value, that such policies be surrendered for their respective cash surrender values as of the effective date of surrender.

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

THAT, The President is authorized to cease and terminate premium payments on the Division Policies, and to surrender such Division Policies for their respective cash surrender values as of the effective date of surrender; and further,

THAT, The President or Chief Financial Officer shall execute such documents and take such actions as may be necessary to carry out the purposes of this resolution.

16. WHEREAS, the Board of Light, Gas and Water Commissioners (the “Board”) in its meeting of April 3, 2003, approved three Supplemental Life Insurance Programs with Manufacturers Life Insurance Company U.S.A. (“ManuLife”) for key employees and appointed officials of the Division, one of which included a supplemental retirement program for the Board funded by MLGW (the “Board Policies”); and

WHEREAS, the Board has determined that it is in the best interest of MLGW and its ratepayers at this time that MLGW cease further additional premium payments on the Board Policies; and

WHEREAS, the Board has determined that it is in the best interest of MLGW and its ratepayers that in lieu of any other rights of the Board member with respect to the program under which such policy was purchased, MLGW offer the Board member who is an insured under the Board Policies the right to purchase the policy under which such member is the insured for an amount equal to the premiums paid by MLGW on such policy; and

WHEREAS, the Board has determined that it is in the best interest of MLGW and its ratepayers if the Board member elects not to purchase such policy that MLGW, with the consent of the Board member, terminate all rights of the Board member in the program with respect to which such policy was purchased, including without limitation the Board member’s right to designate the beneficiary of such policy.

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

THAT, The President at this time is authorized to cease and terminate further additional premium payments on the Board Policies; and further,

THAT, The President is authorized to offer each Board member who is an insured under the policy the right to purchase the policy under which such member is the insured for an amount equal to the premiums paid by MLGW on such policy; and further,

THAT, If a Board member elects not to purchase such policy, the President is authorized, with the consent of the Board member, to terminate all rights of the Board member in the program with respect to which such policy was purchased, including without limitation the Board member’s right to designate the beneficiary of such policy; and further,

THAT, The President or Chief Financial Officer shall execute such documents and take such actions as may be necessary to carry out the purposes of this resolution.

17. WHEREAS, the Board of Light, Gas and Water Commissioners (the "Board") in its meeting of April 3, 2003, approved three Supplemental Life Insurance Programs with Manufacturers Life Insurance Company U.S.A. ("ManuLife") for key employees and appointed officials of the Division, one of which included a supplemental executive retirement program for key executives funded by MLGW (the "Executive Policies"); and

WHEREAS, the Board has determined that it is in the best interest of MLGW and its ratepayers at this time that MLGW cease further additional premium payments on the Executive Policies of currently employed executives; and

WHEREAS, the Board has determined that it is in the best interest of MLGW and its ratepayers that upon termination of premium payments by MLGW under the Executive Policies of currently employed executives, MLGW shall retain whatever rights it holds in the policies for so long as the policies remain in effect, which rights shall include the right to the cash surrender value of the policy in the event the policy is surrendered by the owner thereof.

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

THAT, The President is authorized to cease and terminate further additional premium payments on the Executive Policies of currently employed executives; and further,

THAT, Upon termination of such premium payments MLGW shall retain whatever rights it holds in the policies for so long as the policies remain in effect, which rights shall include the right to the cash surrender value of the policy in the event the policy is surrendered by the owner thereof; and further,

THAT, The President or Chief Financial Officer shall execute such documents and take such actions as may be necessary to carry out the purposes of this resolution.

18. WHEREAS, the Board of Light, Gas and Water Commissioners (the "Board") in its meeting of April 3, 2003, approved three Supplemental Life Insurance Programs with Manufacturers Life Insurance Company U.S.A. ("ManuLife") for key employees and appointed officials of the Division, one of which included a supplemental executive retirement program for key executives funded by MLGW (the "Executive Policies"); and

WHEREAS, the Board has determined that it is in the best interest of MLGW and its ratepayers at this time that MLGW cease further additional premium payments on the Executive Policies of four formerly employed executives who did not vest in any rights with respect to the policies (the "Former Employees"); and

WHEREAS, the Board has determined that it is in the best interest of MLGW and its ratepayers that upon termination of premium payments by MLGW under such Executive Policies of the Former Employees, MLGW shall retain whatever rights it holds in the policies for so long as the policies remain in effect, which rights shall include the right to the cash surrender value of the policy in the event the policy is surrendered, and all other rights with respect to said policies.

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

THAT, The President is authorized to cease and terminate further additional premium payments on the Executive Policies of the Former Employees; and further,

THAT, Upon termination of such premium payments, MLGW shall retain whatever rights it holds in the policies for so long as the policies remain in effect, which rights shall include the right to the cash surrender value of the policy in the event the policy is surrendered, and all other rights with respect to said policies; and further,

THAT, The President or Chief Financial Officer shall execute such documents and take such actions as may be necessary to carry out the purposes of this resolution.

19. Bill Hawkins, Assistant Business Manager, IBEW Local 1288; Jozelle Booker, Manager, Procurement and Contracts; and J. D. Cox, President, IBEW Local 1288, appeared before the Board to discuss various matters.

20. Rickey Rogers, 231 Nancy Reeder, appeared before the Board to request reinstatement of his employment with MLGW. The Board agreed to investigate the circumstances of his termination.

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

SEE MINUTE FILE NO. 1266.