

MINUTES OF MEETING  
of  
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS  
CITY OF MEMPHIS  
held  
February 15, 2007

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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, February 15, 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; Odell Horton, Jr., Vice President and General Counsel; 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. Diana Veazey, Vice President, Construction and Maintenance, was not in attendance. Due to the absence of John W. McCullough, Dana Jeanes was Acting Secretary-Treasurer. Dr. Phillip Bowden, newly appointed Commissioner, attended as an observer.

Commissioner Clark moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held February 1, 2007, that they be recorded as the official record, seconded by Commissioner Taylor, and unanimously carried.

The Acting Secretary-Treasurer acknowledged receipt of certified copies of City Council resolutions dated February 6, 2007, Item Nos. 7 through 9, approving items approved by the MLGW Board at its meeting held January 18, 2007. (See Minute File No. 1289.)

Armstead Ward, Vice President, Human Resources, made a presentation recognizing men responsible for the Consent Decree.

For the record, Odell Horton, Jr. stated that the Board received the *Conflict of Interest and Political Activity of Officers and Employees* Letter/Policy (see Minute File No. 1290) from the City of Memphis at the 11:00 a.m. MLGW Board Briefing.

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of an Expedited Procurement Request for

Change No. 3 to Contract No. 11016, Drug and Alcohol Collection Provider, with True Test Collection, to allocate additional funds to the current contract to continue with the federally mandated drug and alcohol testing until the second renewal effective May 6, 2007, in an estimated funded amount of \$12,000.

This change is necessary to allocate additional funds to the current contract due to an increased volume of services and to continue with the federally mandated drug and alcohol testing until the second renewal effective May 6, 2007. The new contract amount is \$72,052.

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

THAT, Change No. 3 to Contract No. 11016, with True Test Collection, in an estimated funded amount of \$12,000, 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. 2 to Contract No. 11028, Security Services, with CDA, Inc., to cover additional manpower expenses and to renew this contract for the second term of four renewal terms beginning April 1, 2007 to March 31, 2008, in an estimated funded amount of \$2,617,514.66.

The project scope is to provide daily security services at various MLGW locations. This is the second term of four renewal terms beginning April 1, 2006 to March 31, 2007. Additionally, this change is to cover additional manpower expenses for construction projects for MLGW pumping stations and substation. The new contract amount is \$7,025,160.96.

It was moved by Vice Chairman Evans, 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. 11028, with CDA, Inc., in an estimated funded amount of \$2,617,514.66, as outlined in the foregoing preamble, is approved; and further,

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

3. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 1 to Contract No. 11042,

Facilities Location Services, with Heath Consultants, Inc., to change the scope to extend the contract not to exceed 90 days beginning March 15, 2007 to July 14, 2007, with no increase in funding.

This change is necessary to extend the contract due to the evaluation of costs associated with the contract renewal. This extension will be at the current contract rates. The contract value is \$773,550.

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

THAT, Change No. 1 to Contract No. 11042, with Heath Consultants, Inc., with no increase in funding, 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. 11097, Grounds and Landscaping Services, with Environmental Landscape to eliminate landscape improvement works, to increase the quantity of flowers, and to renew the contract for the first term of four renewal terms beginning April 5, 2007 to April 4, 2008, in an estimated funded amount of \$73,275.

The project scope is to perform landscape maintenance, irrigation and seasonal color services at the MLGW Administration Building, 220 S. Main; Downtown Credit Office, 245 S. Main; and the Business Center, 1665 Whitten Road, in Memphis and Shelby County, Tennessee. In the attached renewal proposal, (see Minute File No. 1290), prices for line items 1-7 will remain the same as those charged in the original award; line items 8-9 (220 S. Main), the prices are reduced due to quantity discount; line items 8a-9a (1665 Whitten Road), the prices are increased due solely to an additional quantity of flowers for the existing bedding area; and line item 10 for landscape improvements is being eliminated. This renewal is the first term of four renewal terms beginning April 5, 2007 to April 4, 2008. The new contract amount is \$140,356.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 11097 with Environmental

Landscape Services in an estimated funded amount of \$73,275, as outlined in the foregoing preamble, is approved; and further,

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

5. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing polycarbonate globes for a 36-month period which replenishes inventory material for distribution and/or contract crews to install and/or maintain electric systems. Order quantities are based upon previous usage records and projected projects that will be scheduled during the next 36 months. During the length of the contract, quantities will be driven based on the actual need for polycarbonate globes.

Bids were opened on January 24, 2007. The lowest and best complying bidder of four bidders was the firm of Formed Plastics, Inc. c/o Vincent Sales, Inc. The approximate total for all items is \$227,500.

It was moved by Vice Chairman Evans, 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 is approved as follows:

36-month blanket contract for providing polycarbonate globes to be furnished by Formed Plastics, Inc. c/o Vincent Sales, Inc. as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of this contract, Formed Plastics, Inc. c/o Vincent Sales, Inc. will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and Formed Plastics, Inc. c/o Vincent Sales, Inc. A copy of all unit prices will be placed on file in the Accounting Department of MLGW

the total 36-month award is approximately \$227,500, f.o.b., Memphis, Tennessee, transportation prepaid; our dock, said prices being firm for the life of the contract; delivery in 10 days after release.

6. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing #2 triplex cable which replenishes inventory material for distribution and/or contract crews to install and/or maintain the electric system. Order quantities are based upon previous usage records and projected projects that will be scheduled during the next 12 months. During the length of the contract, quantities will be driven based on actual need for #2 triplex cable.

Bids were opened on January 10, 2007. The lowest and best complying bidder of six bidders was the firm of Phoenix Wire & Cable, Inc. c/o Stansberry and Associates. The approximate total for all items is \$157,750.

It was moved by Vice Chairman Evans, 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 is approved as follows:

12-month blanket contract for providing #2 triplex cable to be furnished by Phoenix Wire & Cable, Inc. c/o Stansberry and Associates, as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of this contract, Phoenix Wire & Cable, Inc. c/o Stansberry and Associates will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and Phoenix Wire & Cable, Inc. c/o Stansberry and Associates. A copy of all unit prices will be placed on file in the Accounting Department of MLGW

the total 12-month award amounts to approximately \$157,750, f.o.b., Memphis, Tennessee, transportation prepaid; said prices being firm for the life of the contract with metals escalation/de-escalation to be applied over the 12-month period as applicable; terms are net 30 days; delivery as required.

7. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing concrete poles for a 36-month period which replenishes inventory material for distribution and/or contract crews to install and/or maintain electric systems. Order quantities are based upon previous usage records and projected projects that will be scheduled during the next 36 months. During the length of this contract, quantities will be driven based on the actual need for concrete poles.

Bids were opened on January 24, 2007. The lowest and best complying bidders of two bidders were the firms of CPI Concrete Products, Inc. for 50% of all items, and M&S Concrete Products c/o Ruffin & Associates for 50% of all items. The approximate total for all items is \$1,866,299.19.

It was moved by Vice Chairman Evans, 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 is approved as follows:

36-month blanket contract for providing concrete poles to be furnished by CPI Concrete Products, Inc. as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of the contract, CPI Concrete

Products, Inc. will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and CPI Concrete Products, Inc. A copy of all unit prices will be placed on file in the Accounting Department of MLGW

the total 36-month award amounts to approximately \$955,510.07, f.o.b. Memphis, Tennessee, transportation prepaid; our dock, said prices being firm for year one with a 3% increase in years two and three; delivery in seven days after release; and further,

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract is approved as follows:

36-month blanket concrete for providing concrete poles to be furnished by M&S Concrete Products c/o Ruffin & Associates as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of this contract, M&S Concrete Products c/o Ruffin & Associates will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and M&S Concrete Products c/o Ruffin & Associates. A copy of all unit prices will be placed on file in the Accounting Department of MLGW

the total 36-month award amounts to approximately \$910,789.12, f.o.b. Memphis, Tennessee, transportation prepaid; our dock, said prices being firm for year one with a 3% increase in years two and three; delivery in 10 days after release.

The total of all awards amounts to approximately \$1,866,299.19.

8. The President and CEO submitted for approval of the Board the following position numbers, per the attached documents (see Minute File No. 1290):

Position No. 03467, Attorney I  
Position No. 05164, Distribution Design Engineer I

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

THAT, Position Numbers 03467 and 05164, as outlined in the foregoing preamble, are approved.

9. The Vice President, Construction and Maintenance presented for consideration of the Board payment of invoice from Tennessee One Call System, Inc. in the amount of \$91,329 for annual membership dues for the year 2007, plus locate request tickets.

This amount is included in the 2007 Budget.

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

THAT, Continued participation in and payment of annual membership dues in the amount of \$91,329 to Tennessee One Call System, Inc. is approved; and further,

THAT, The Secretary-Treasurer is authorized to have check drawn in the amount of \$91,329 payable to Tennessee One Call System, Inc.

10. The Vice President, Customer Operations submitted for consideration of the Board payment of invoice from U. S. Department of Transportation (DOT) Department of Pipeline and Hazardous Materials Safety Administration for pipeline user fee.

MLGW is assessed \$25,959.52 for fiscal year 2007. The basis of this assessment is \$145.84 per mile of the 178 miles of natural gas transmission pipeline reported on the Annual Report for Gas Transmission and Gathering Systems.

Funds for this fee are included in the 2007 Budget.

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

THAT, The Secretary-Treasurer is authorized and directed to have a check issued in the amount of \$25,959.52, payable to the U. S. Department of Transportation.

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

Two 5-ft. wide electric distribution utility easements recorded under Instrument No. BJ-4401 in the Register's Office of Shelby County, Tennessee across Lot Numbers 25 and 26 of the Burrows Farm Subdivision as recorded in Plat Book 134, Page 8 in the Register's Office of Shelby County, Tennessee to Charles E. Mitchell and wife, Mary Cour Burrows, or their successors in title for the sum of \$1.00 each.

Property located on the southeast corner of Poplar Pike Highway and Burrows Farm Cove.

A 5-ft. wide electric distribution utility easement recorded in Book 4286, Page 462 in the Register's Office of Shelby County, Tennessee across a tract of land described under Instrument No. 06052395 in the Register's Office of Shelby County, Tennessee to Mark D. Utley, or his successor in title for the sum of \$1.00.

Property located on the southeast corner of Frayser Boulevard and Denver Street.

AN 8-foot wide electric utility distribution easement recorded in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument No. P7-7125 to The Health, Educational and Housing Facility Board of the City of Memphis, Tennessee or their successors in title for the sum of \$1.00

Property located on the east side of Ragan Street opposite Ethlyn Avenue.

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

THAT, Release of said 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.

12. The Acting Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 7 to Contract No. 10336, EMS/SCADA System, with GE Energy Management Services, Inc. to amend the XA/21 System six-year Upgrade/Support software package previously approved for MLGW's EMS/SCADA System beginning in year 2007 to year 2015. The annual payment amount is \$278,147.

The project scope has changed to extend the current contract, that ends in 2009, to year 2015; add nine years of server Patch Management and installation of XA219.1 Release to have EMS/SCADA System come into compliance with MLGW server security policy NERC CIP-007R3 Federal Security requirements effective in year 2007; six years of extended support services; two additional upgrade installations (years 2012 and 2015); nine years paid registration to GE XA/21 user group commencing in 2007; give MLGW \$40,000 in GE credits towards future services or materials; and to save and reduce annual payments from \$298,147 to \$278,147 beginning in year 2007 to 2015. The new contract amount is \$6,007,748.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 7 to Contract No. 10336 with GE Energy Management Services, Inc., effective year 2007 to 2015, annual payment amount of \$278,147, as outlined in the foregoing preamble, is approved; and further,

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

13. The President and CEO submitted for approval of the Board the following position number, per the attached document (see Minute File No. 1290):

Position No. 05680, Computer Software Specialist I

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



THAT, Position No. 05680, as outlined in the foregoing preamble, is approved.

14. WHEREAS, thirty-three years ago, a group of eleven Black men recognized the unfair and discriminatory practices in the employment, development, and promotion of minority employees by Memphis Light, Gas and Water Division; and

WHEREAS, the practices of Memphis Light, Gas and Water were in direct violation of Title VII of the Civil Rights Act of 1964; and

WHEREAS, unable to resolve nor correct this inequity by other means, these eleven men had the courage to demonstrate their commitment to equal opportunities for all employees by taking legal action and on January 15, 1974, filed the lawsuit, Lonzola Armmer et. al. vs. Memphis Light, Gas and Water. This action led to MLGW and IBEW Local 1288 entering into a Consent Decree with the Justice Department; and

WHEREAS, as a direct result of the courageous actions of these eleven Black men and subsequent programs implemented by the Division, along with IBEW Local 1288, MLGW is the premier organization in the city for employee development and diversity.

NOW, THEREFORE, BE IT RESOLVED, that on February 15, 2007, the Board of Commissioners of the Memphis Light, Gas and Water Division recognizes and pays tribute to those eleven men whose heroic actions provided the impetus for transforming MLGW into the great organization that it is today.

It was moved by Vice Chairman Evans, seconded by Commissioner Clark and unanimously carried that the Resolution be adopted.

15. The President and Vice President, Human Resources submitted for approval of the Board the following revised Memphis Light, Gas and Water Personnel Policy (see Minute File No. 1290):

Policy No. 22-14                      Workers' Compensation

This policy will become effective upon implementation by the President of Memphis Light, Gas and Water.

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

THAT, The policy stated above is approved.

16. Marvin Winston, 8596 Stablemill Lane, appeared before the Board to discuss various matters.

17. W. S. (Bill) Crawford, 1716 Forsythe Trail, appeared before the Board to discuss various matters.

18. Dick Gardiner, 1734 Gosnold Bluff Rd., appeared before the Board to discuss various matters.

19. Bill Hawkins, 4000 Clearpool Circle, appeared before the Board to discuss various matters.

20. J. D. Cox, 4000 Clearpool Circle, appeared before the Board to discuss various matters.

21. Sherry DuBose, 384 S. Goodlett, appeared before the Board to discuss various matters.

22. Barbara Vandemark, 690 Anderson, appeared before the Board to discuss various matters.

23. Rick Thompson, 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. 1290.

Acting Secretary-Treasurer