

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

April 5, 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, **April 5, 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; Phillip R. Bowden, 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 City Councilwoman Carol Chumney. Linda Peppers, Vice President and Chief Technology Officer, was not in attendance.

Vice Chairman Evans moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held **March 15, 2007**, that they be recorded as the official record, seconded by Commissioner Bowden, and unanimously carried.

The Secretary-Treasurer acknowledged receipt of certified copies of City Council Resolutions dated March 20, 2007, Items 12 through 16, approving items approved by the MLGW Board at its meeting held March 1, 2007. (See Minute File No. 1291.)

The Secretary-Treasurer updated the Board on pending MLGW matters.

Cliff DeBerry presented a Billing System Accuracy Review to the Board.

Christopher Bieber, Mason Favazza, and Chandrika Winston presented a Utility Structural Overview to the Board.

It was moved by Commissioner Clark, seconded by Vice Chairman Evans and unanimously carried that General Counsel finalize tabled Item No. 17 from meeting of March 1, 2007, resolution regarding personal preferential treatment for any elected or appointed official, to be submitted for approval at MLGW Board meeting of April 19,

2007; and that tabled Item No. 19 from meeting of March 1, 2007, resolution requesting that the City Council not grant preferential access or treatment for MLGW's Bargaining Union at Committee meetings or Council sessions, be deleted from the agenda of March 1, 2007.

Chairman Masson appointed Commissioner Clark to serve as Chairman of Ad Hoc Committee regarding Open Records Policy, and Vice Chairman Evans to serve as Chairman of Ad Hoc Committee to evaluate the structure of the MLGW Board meetings, and to serve as a liason to the Glankler Brown study as it relates to MLGW policies and procedures.

1. By unanimous consent, Item No. 1, award of Contract No. 11154, HVAC Services, to Trane, a division of American Standard I, was deleted from the agenda.

2. By unanimous consent, Item No. 2, award of Contract No. 11155, Electrical Services, to American Electrical Contractors, Inc., was deleted from the agenda.

3. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11178, Internet Service Provider II, to US LEC, in an estimated funded amount of \$17,400.

The project scope is to provide internet access services for internal DNS, Web, Email, and E-Business applications.

Three proposals were received on January 9, 2007 for said contract, with the best proposal being submitted by US LEC.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, Award of Contract No. 11178 to US LEC in an estimated funded amount of \$17,400, as outlined in the foregoing preamble, is approved; and further,

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

4. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11190, Mowing-Grounds Maintenance Well Lots, to Bean & Prince Contractors, Inc. in the funded amount of \$57,316.

The project scope is to perform trimming, weed eating, brush clearing, mowing and other grounds maintenance duties at various MLGW locations in Memphis and Shelby County, Tennessee.

Four bids were received on March 7, 2007, for said contract, with the best proposal being submitted by Bean & Prince Contractors, Inc. Further, cost comparisons were provided to the leadership of IBEW 1288.

It was moved by Commissioner Clark, 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 No. 11190 to Bean & Prince Contractors, Inc. in the funded amount of \$57,316, as outlined in the foregoing preamble, is approved; and further,

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

5. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 8 to Contract No. 10840, Temporary Personnel Services, with Kelly Temporary Services, Inc. in an estimated funded amount of \$540,000. Of the \$540,000, it is requested that the Board ratify \$52,000 to cover payments for work performed through the period ending March 23, 2007, and that the Board approve award in the amount of \$488,000. The new contract amount is \$10,060,000.

The project scope has changed to cover an increase in the contract amount in an estimated funded amount of \$540,000. This increase is to cover the cost of work performed through the period ending March 23, 2007, and the projected cost of services until the end of the contract term on June 4, 2007.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, Subject to ratification by the Council of the City of Memphis in the amount of \$52,000 and approval by the Council of the City of Memphis in the amount of \$488,000, Change No. 8 to Contract No. 10840 with Kelly Temporary Services, Inc. in an estimated funded amount of \$540,000, 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. 6 to Contract No. 10879,

Information Services Support, with Computer Horizons Corporation to change the name to TEKsystems.

The project scope is to allow TEKsystems to continue to provide information services support. This change is due to TEKsystems assuming all responsibilities relative to Contract No. 10879 as a result of an acquisition.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, Change No. 6 to Contract No. 10879 with TEKsystems, as outlined in the foregoing preamble, is approved; and further,

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

7. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 4 to Contract No. 11016, Drug and Alcohol Collection Provider, with True Test Collection to renew the contract for the first term, May 6, 2007 to May 5, 2008, in an estimated funded amount of \$30,026.

The project scope is to collect urine specimens and deposit the collected specimens at an approved laboratory and conduct breath alcohol tests in Memphis and Shelby County, Tennessee, in accordance with the Department of Transportation Drug Testing Guidelines, 49 CFR, Part 199, and Part 40. This is the second renewal of four one year renewals. The new contract amount is \$102,078.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 4 to Contract No. 11016 with True Test Collection in an estimated funded amount of \$30,026, as outlined in the foregoing preamble, is approved; and further,

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

8. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract to lease Doble Engineering Company equipment, software licenses and maintenance services.

A bid was received on March 21, 2007, from Doble Engineering Company, who is the sole provider of this equipment, for software licenses and

maintenance services, in the amount of \$59,020. The equipment, software licenses and maintenance services are used by MLGW Power Test & Standards Laboratory to accurately evaluate the insulation quality (power factor) and assess the condition of high-voltage equipment (173 transformers, 1,292 breakers, 458 lightning arrestors, and 562 potential and current transformers). Doble Engineering Company has provided MLGW with diagnostic equipment, software licenses and maintenance services for approximately 56 years. This contract will allow MLGW to preserve the integrity of our transmission and substation system by identifying and correcting potential problems before they become major failures, resulting in equipment damage, outages and loss of revenue.

It is requested that staff be allowed to renew the contract for Doble Engineering Company software and equipment on an annual basis as long as the cost does not exceed 6% of the prior year's cost.

It was moved by Commissioner Clark, 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 Doble Engineering Company is approved for furnishing:

3 – Doble Engineering diagnostic test sets – M4000 insulation analyzers, at \$17,870 each

3 – Doble Engineering Doble Test Assistant software licenses, at \$1,630 each

1 – Doble Engineering M2 cable, at \$300

1 – Doble Engineering TTR Capacitor, at \$220

Renewal of contract for Doble Engineering Company software and equipment being utilized by MLGW is approved for each subsequent year provided the cost does not exceed 6% of the prior year's cost

totaling \$59,020, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery as required.

9. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners that authorization be given to MLGW, without prior City Council approval, to enter into an Interdivisional Cooperative Agreement for mechanics' uniform rental and shop towel laundering services with the City of Memphis. City Contract No. 22726 expires June 30, 2008, with the option to request extension of the contract term for one additional two-year periods for the purchase of said services. Therefore, staff requests that MLGW's term mirror the City's contract. MLGW and the

City of Memphis reserve the option to extend the contract for additional terms, if extensions are acceptable to both parties.

It is estimated that MLGW will purchase mechanics' uniform rental and shop towel laundering services in the amount of \$562,580 approximately.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, MLGW is authorized to utilize mechanics' uniform rental and shop towel laundering services under City Contract No. 22726 with AmeriPride Linen and Apparel Services, for an 18-month period, with options for extensions for furnishing rental of approximately 147,000 industrial shirts at \$1.75 each; rental of approximately 147,000 industrial pants at \$2 each; and rental of approximately 180,000 shop towels at \$.06 each. Additional charges that may occur consist of: season change-out for additional shirts at \$1.25 per shirt/person; rates to cover lost towels at \$.20 each; prorated rate to cover lost or damaged shirts at \$12 each; and prorated rate to cover lost or damaged pants at \$14 each; and further,

THAT, The President or his designated Vice President is authorized to execute such documents and take such further action as may be necessary to carry out the purposes of this Resolution.

10. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing electric meter pedestals 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 24 months. During the length of this contract, quantities will be driven based on actual need for electric meter pedestals.

Bids were opened on March 21, 2007. The lowest and best complying bidder of three bidders was The Durham Company, Inc. in the amount of \$992,026.74.

It was moved by Commissioner Clark, 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 The Durham Company, Inc. is approved for furnishing:

24-month blanket contract, consisting of approximately 3,500 electric meter pedestals annually, to be furnished in full accordance with MLGW Specification No. 45-6650 dated December 10, 2002, at \$139.62 each

the total 24-month award amounts to approximately \$992,026.74, f.o.b., Memphis, Tennessee, transportation prepaid; said prices being firm for the first 12-month period with a maximum increase of 3% in the second 12-month period. Additional 12-month period will be negotiated at time of

extension, if exercised; terms are 1-1/2% Net 30 days; delivery as required; if a need for additional items of this group of material or design changes to existing item is identified during the period of this contract, supplier will be requested to add the new items or make changes to the existing item on the contract at a price agreeable to both MLGW and the supplier.

11. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing porcelain insulators to be used at Collierville Gate Substation No. 86.

Bids were opened on February 20, 2007. Although five bids were solicited, only three bidders responded. The lowest and best complying bidder was HD Supply Utilities, in the amount of \$125,838.48.

It was moved by Commissioner Clark, 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 HD Supply Utilities is approved for furnishing:

222- Victor porcelain insulators 161 KV station post 750 KV BIL, one or two piece, ANSI-70 gray, 7-inch bolt circle in complete accordance with ANSI C29.9-1983 (R2002), at \$566.84 each

totaling \$125,838.48, f.o.b., Memphis, Tennessee, transportation prepaid; said prices firm; delivery 12 weeks after receipt of order.

12. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing 90-degree steel pipe bends. The bends are required to relocate the 16-inch and 22-inch pipelines due to inadequate coverage determined through the Pipeline Integrity Program.

Bids were received on March 20, 2007. The lowest and best bid of two bidders was American Pipe Bending, in the amount of \$32,322.

It was moved by Commissioner Clark, 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 American Pipe Bending is approved for furnishing:

6 – 16-inch 90-degree coated welded steel pipe bends, at \$3,324 each

6 – 22-inch 90-degree coated welded steel pipe bends, at \$2,063 each

totaling \$32,322, f.o.b., Memphis, Tennessee, transportation prepaid and add; said prices being firm; delivery in three weeks.

13. The Manager, Procurement and Contracts submitted for consideration of the Board approval to exercise the option to extend the contract for furnishing the Division with polyethylene (PE) gas fittings which replenishes inventory material for distribution and/or contract crews to install and/or maintain the gas distribution system for an additional 12-month period.

On February 16, 2006, the Board approved the contract for an initial 12-month period, with an option to extend the contract for an additional 12-month period, not to exceed 36 months, based on satisfactory performance of the initial 12-month period. The overall price increase is approximately 5%. This award was made to Continental Industries.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Continental Industries is hereby awarded a contract extension for a 12-month period

the total amount of the award is approximately \$189,721.50.

14. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing software maintenance for Bindview compliance reporting software.

Bids were received on March 28, 2007. The lowest bidder of three bidders was Venture Technologies, in the amount of \$35,702.38.

It was moved by Commissioner Clark, 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 Venture Technologies is approved for furnishing:

85 - R-BVC-W2K-S BV- Control for Windows 2000 server, at \$122.91 each

2,500 – R-BVC-W2K-W BV-Control for Windows 2000 workstation, at \$5.41 each

2,500 – R-BVC-NDS BV-Control for NDS user, at \$3 each

28 – R-BVC-NW BV-Control for Netware server, at \$122.91 each

5 – R-BVC-UNIX-S BV-Control for Unix server, at \$122.91 each

20 – R-O-BVC-INS-IP BV-Control for internet security, at \$8.70 each



totaling \$35,702.38, f.o.b., Memphis, Tennessee, transportation prepaid; said prices being firm; delivery within one week.

15. The President and CEO submitted for approval of the Board the following position numbers, per the attached documents (see Minute File No. 1292):

Position No. 00152, Environmental Engineer III  
 Position No. 00330, Compensation Analyst II  
 Position No. 01517, Accountant IV  
 Position No. 01787, Senior Compensation Analyst  
 Position No. 02158, Auditor  
 Position No. 03012, Engineering Assistant I  
 Position No. 03957, Engineering Assistant III  
 Position No. 05806, Clerk-Human Resources III

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, Position Numbers 00152, 00330, 01517, 01787, 02158, 03012, 03957 and 05806, as listed in the foregoing preamble, are approved.

16. The President and Vice President, Human Resources submitted for approval of the Board the following revised Memphis Light, Gas and Water Human Resources Policies (see Minute File No. 1292):

Policy No. 21-06	MLGW Cooperative Education Program
Policy No. 21-09	Employment of Retirees
Policy No. 21-10	Temporary Assignments
Policy No. 22-02	Training Programs
Policy No. 22-04	Service Awards
Policy No. 22-16	Jury Duty/Summoned Appearances
Policy No. 23-10	Theft and/or Unauthorized Use of MLGW Property and/or Utility Services

The revised MLGW Human Resources Policies were presented to the Chair of the Human Resources Committee of the MLGW Board of Commissioners. The Chair of the Human Resources Committee approved these policy revisions.

These MLGW Personnel Policies will become effective upon implementation by the President of MLGW.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, The policies stated above are hereby approved.

17. The Vice President, Customer Operations submitted for consideration of the Board a request to provide a grant to Habitat for Humanity of Greater Memphis, Inc., valued at \$20,000, for the purchase and installation of energy efficiency upgrades for 12 habitat homes to be constructed in 2007 under MLGW's EcoBUILD green building

program. MLGW funds, in addition to those provided by Panhandle Energy, will cover the added cost for required upgrades that help to reduce household energy consumption by more than 30%. In exchange, Habitat will promote MLGW's sponsorship, generating awareness for the EcoBUILD program and residential energy efficiency measures among its volunteers, supporters and families.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, The agreement between MLGW and Habitat for Humanity of Greater Memphis, Inc., as outlined in the foregoing preamble, is approved.

18. The Vice President, Customer Operations submitted for consideration of the Board approval of a partnership agreement between MLGW and The Children's Museum of Memphis in the amount of \$25,000. The term of this agreement shall be for 18 months, commencing on January 1, 2007 and terminating on June 30, 2008.

This partnership shall be conducted for the purpose of providing quality educational materials for use in classrooms of Memphis City Schools and Shelby County Schools by teachers of grades two through five. The curriculum will include concepts on energy conservation such as: where energy comes from; how to estimate energy usage by using an energy calculator; controlling room temperatures to save energy and lower utility bills; making others aware of simple energy-savings measures; and encouraging young students to consider the energy field as a profession.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, The Secretary-Treasurer is hereby authorized and directed to have a check issued in the amount of \$25,000, payable to The Children's Museum of Memphis.

19. The Vice President, Customer Operations submitted for consideration of the Board authorization for payment of membership dues for year ending December 31, 2007 to the American Gas Association in the amount of \$57,633.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, The Secretary-Treasurer is hereby authorized and directed to issue a check in the amount of \$57,633, payable to the American Gas Association for membership dues for the year ending December 31, 2007.

20. The Vice President, Customer Operations submitted for consideration of the Board, payment of an invoice from the Tennessee Regulatory Authority for the annual pipeline safety inspection fee.

This fee is based on the number of gas meters and services with a cap of \$78,000 for systems with greater than 10,000 meters. The Division reported 315,400 gas meters for the year ending December 31, 2006; therefore, it is subject to the \$78,000 fee. Funds for this fee are included in the 2007 Budget.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, The Secretary-Treasurer is hereby authorized and directed to have a check issued in the amount of \$78,000, payable to the Tennessee Regulatory Authority, for the annual pipeline safety inspection fee.

21. The Vice President, Engineering submitted for consideration of the Board, payment of invoice from American Public Power Association covering membership dues for one year beginning May 1, 2007. The invoice is rendered in the amount of \$79,396.79 and is in accordance with rates established by the American Public Power Association's Board of Directors.

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, The Secretary-Treasurer is authorized and directed to have check issued in the amount of \$79,396.79, payable to American Public Power Association, covering membership dues for one year beginning May 1, 2007, chargeable to the MLGW fiscal year 2007.

22. The General Counsel submitted to the Board for its consideration revisions to the Customer Appeal Committee process. The revisions of this process shall include the following:

MLGW Customer Appeal Committee

The Customer Appeal Committee (Committee) is composed of two Memphis Light, Gas and Water (MLGW) Board of Commissioners or its designees and a vice president representing one of the operating divisions of MLGW. An attorney from the MLGW Legal Department will serve as a legal advisor to the committee. The attorney will serve as a non-voting member on the committee. The claims adjuster, paralegal and any necessary MLGW employees will also attend the hearing. The Customer Appeal Committee Process has been established for claimants who have filed claims against MLGW which have been denied by the MLGW Claims Department. These hearings are designed for the claimant to appeal their denied claim to the Committee.

Once the claimant expresses a desire to appeal their denied claim to the Committee, the claims adjuster refers the claimant to the paralegal in the Legal Department. The paralegal will schedule and facilitate the hearing with all parties

involved. The hearing begins with an introduction of the claimant and all MLGW employees and their job titles. The claimant is allowed to present their claim with supporting documents, witnesses, receipts, photographs or other evidence to be considered by the Committee.

The Committee will review all the information presented, receive additional statements (oral) from the claimant, committee members and MLGW employees. The committee will make a final decision to uphold the denial, pay the claim or request additional information before making a final decision. The paralegal will contact the claimant within seven (7) business days with a written decision. If additional information is requested by the Committee, the paralegal will notify the claimant for the need of additional time to resolve this matter.

#### How to Prepare for a CAC Hearing

The Customer Appeal Committee members are contacted for available dates and times for a hearing. Based on their availability, the paralegal will schedule the hearing with all parties.

#### Three Committee Members

- MLGW Vice President (area involved)
- MLGW Board of Commissioners and one (1) designee

#### Other Parties Involved

- attorney (legal advisor)
- claims adjuster
- MLGW employee(s)
- claimant
- paralegal

-Call/email all parties to confirm date, time, and location of hearing, send letter of confirmation to the claimant, and any pertinent information to the Committee.

-Reserve a room for the hearing to be held (preferably room 511 or 507).

#### Steps to Follow:

1. The claimant is referred to the General Counsel's Office for a Committee hearing by the claims adjuster. The claimant's file is forwarded to the paralegal.
2. Schedule the meeting with all parties involved. When contacting MLGW employees, you may schedule the hearing with their immediate supervisor. Always document the person's name and telephone you spoke with and date and time.
3. Copy the claims adjuster's summary, the executive summary, pictures, and all pertinent information in the file to forward to the committee members and other parties involved. Information should be mailed seven (7) days prior to the hearing date. The claimant is mailed a confirmation letter only.

#### How to Facilitate the CAC Hearing

\*Let security know that you are expecting a claimant for a hearing. Security will send them to the fifth floor lobby. They can have a seat in the waiting area.

\*Make sure the committee members and all parties involved are present in the hearing room. Introduce yourself to the claimant and show them to the room.

\*Either the Board of Commissioners or one of their designees will chair the hearing. Introduce the claimant to everyone in the room. Let the claimant know who is on the Committee and their job title.

\*The claimant will present the facts supporting their claim to the Committee.

\*After the claimant has presented facts, the Committee may ask the claimant questions regarding the claim; have discussion with the adjuster and/or MLGW employees to get all the pertinent information.

\*The Committee Chair will close the hearing by thanking the claimant for coming. The claimant is advised by the paralegal that he or she can expect a written decision within seven (7) business days.

\*During the decision process, the Committee may decide to do the following:

- Approve the action of the Claims Department;
- Reverse the action of the Claims Department;
- Request more information or further investigation before a decision is made;
- All committee members must discuss and vote on a decision.

\*After the Committee reviews the claim and makes their decision, the paralegal will have the appropriate person sign the cover letter. Be sure to make copies of all correspondence that is mailed to parties involved and document any conversation with claimant regarding the hearing. The cover letter along with the decision letter is mailed within seven (7) business days.

\*Return the file to the claims adjuster.

#### Summary of CAC Letters

##### 1. Letter to the Claimant regarding hearing

This letter confirms the date, time, and location of the hearing informing claimant to bring any and all documentation that will assist the Committee in reviewing the claim. The letter states the general composition of the Committee.

##### 2. Letter to the Committee and Others involved regarding hearing

This is a letter to the Committee and others involved confirming the date, time, and location of the hearing. Also, a summary of the claim and detailed information regarding the claim is attached. This information is used by the Committee to help make a decision.

##### 3. Decision Letter to the Claimant

This letter is mailed within seven (7) business days after the hearing to notify the claimant of the decision. If further investigation is necessary and it takes longer than seven (7) days for the Committee to make a decision, the paralegal will contact the claimant by telephone, e-mail or facsimile and U.S. Mail with the status of the appeal. A cover letter signed by the committee members is mailed with the decision letter.

Depending on the decision of the Committee, a denial or settlement letter will be mailed.

Denial Letter - explains why MLGW could not honor the claim.

Settlement Letter - agrees to honor the claim and states the settlement amount. A check will be attached as final settlement of the claim.

#### MLGW Customer Appeal Committee Quarterly Report

This is the quarterly report of the Customer Appeal Committee hearings. It states the Claimants' name, brief description of the claim and if it was denied or settled. If it was settled, it has the amount paid. This report is forwarded by the paralegal to the Executive Secretary of the Vice President, CFO & Secretary Treasurer to be entered on the MLGW Board's agenda for approval and the Vice President and General Counsel.

<u>Quarterly Reports are submitted as follows:</u>		<u>Month to submit:</u>
1 <sup>st</sup> Quarter	January to March	April
2 <sup>nd</sup> Quarter	April to June	July
3 <sup>rd</sup> Quarter	July to September	October
4 <sup>th</sup> Quarter	October to December	January

#### One Year Statute of Limitation

A claimant has one year from the date of their cause of action (which is the date they incur their damages) to file a claim with Memphis Light, Gas and Water. Notice of a claim against MLGW for damages is received by the Claims Department. Following a completion of the investigation of the claimant's claim, the claimant is notified of whether MLGW accepts or denies liability. The filing of the claim, the investigation of the claim, and the appeal of the claim must be concluded within a one-year period. The statute of limitation is governed by T.C.A. Section 29-20-305(b) which sets out remedies and special proceedings against a governmental entity and reads as follows: "The action must be commenced within twelve (12) months after the cause of action arises." Every effort is made to complete in-house proceedings to afford the customer the opportunity to pursue other recourse if they are still dissatisfied with MLGW's decision.

#### MLGW Customer Appeal Committee Composition

##### Three Committee Members

- MLGW Board of Commissioners and one (1) designee
- MLGW Vice President (area involved)

##### Other Parties Involved

- attorney (legal advisor)
- claims adjuster
- field employee
- paralegal
- claimant

#### MLGW Customer Appeal Committee Responsibility

##### Review Process:

- Review all information, evidence and photographs regarding the claim;
- Ask questions of the claims adjuster, MLGW employees, and claimant;
- Discuss and review the facts with the other committee members.

##### Decision Process:

- Approve the action of the Claims Department;
- Reverse the action of the Claims Department;
- Request more information or further investigation before a decision is made;
- All committee members must discuss and vote on a decision.

#### Board of Commissioners/Representatives for Customer Appeal Committee

Mr. Nick Clark  
6745 Lenox Center Court, Suite 100  
Memphis, TN 38115  
(901) 537-2206  
(901) 761-3030  
(901) 230-8400 cell  
Rhiannon Thomas, Asst. 537-2220

Mr. James McWillie  
 4650 Johnson Cove  
 Memphis, TN 38117  
 (901) 683-4221  
 (901) 321-4014

Mr. Bill Crawford  
 1716 Forsythe Trail  
 Collierville, TN 38017  
 (901) 853-2385  
 (901) 413-7593

Mrs. Elsie Boaz-Schoof  
 72 N. Goodlett Street  
 Memphis, TN 38117  
 (901) 685-7301

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, The Customer Appeal Committee process be revised as outlined in the foregoing preamble, and that the General Counsel shall notify all affected parties of these changes.

23. The Manager, Electric Engineering presented for consideration of the Board, a Lease Agreement to American Properties L.P., property being shown on the attached sketch (see Minute File No. 1292) and more particularly described as follows:

BEGINNING AT A POINT in the center line of Hickory Hill Road 350 feet north of the south line of a tract of land conveyed to J. W. McClure and wife C.M. by deed of record in Book 1553, Page 128 of the Register's Office of Shelby County, Tennessee; thence westwardly parallel with the south line of said tract 200 feet to a point; thence northwardly parallel with the center line of Hickory Hill Road 100 feet to a point; thence eastwardly parallel with the south line of said tract 200 feet to a point in the center line of Hickory Hill Road; thence southwardly along the center line of Hickory Hill Road 100 feet to the POINT OF BEGINNING.

BEING THE SAME PROPERTY conveyed to the City of Memphis, a municipal corporation of the State of Tennessee in the Register's Office of Shelby County, Tennessee, in Book 3661, Page 534.

The term of the lease is for five years, commencing May 1, 2006 and ending April 30, 2011, with the option to renew or extend the lease four additional and consecutive terms of five years.

May 1, 2006 through April 30, 2011	= \$1,120.00/year
	= \$5,600.00 (five-year term)

*An increase of 10% will be charged for the exercise of the second term.*

May 1, 2011 through April 30, 2016	= \$1,232.00/year
	= \$6,160.00 (five-year term)

*An increase of 10% will be charged for the exercise of the third term.*

May 1, 2016 through April 30, 2021	= \$1,355.20 / year
	= \$6,776.00 (five-year term)

*An increase of 10% will be charged for the exercise of the fourth term.*

May 1, 2021 through April 30, 2026	= \$1,490.72 / year
	= \$7,453.60 (five-year term)

*An increase of 10% will be charged for the exercise of the fifth term.*

May 1, 2026 through April 30, 2031	= \$1,639.79 / year
	= \$8,198.96 (five-year term)

It was moved by Commissioner Clark, seconded by Commissioner Taylor and unanimously carried:

THAT, The leasing of the property as described in the above preamble to American Properties L.P. for the above stated terms and consideration be and is hereby approved; and

THAT, The President of the Division or his designated representatives be and are hereby authorized to execute the appropriate Lease Agreement.

24. By unanimous consent, Item No. 24, resolution seeking transparency on MLGW matters, was delayed until the next MLGW Board meeting of April 19, 2007.

25. **WHEREAS**, the Board of Light, Gas and Water Commissioners (the "Board") believes that it is important to focus upon the reestablishment of public trust and confidence in MLGW; and further,

**WHEREAS**, on March 1, 2007, the Board stated: *"There has been a deep loss of public confidence in MLGW.... President Lee's effectiveness in serving as the president of MLGW and his desire to do so will ultimately be in whether public confidence can be restored in MLGW."*, and further,

**WHEREAS**, on March 1, 2007 the Board considered hiring outside counsel to represent the Board's interest in the City Council's investigation of what is commonly known as the Ford Billing Matter and ultimately chose to not hire outside counsel but rather to rely upon the City Council's engagement of outside counsel ("Glankler Brown"); and further,

**WHEREAS**, the Board learned from the media that President Lee had refused to answer questions from Glankler Brown, then that he was willing to appear before the City Council with Glankler Brown present to answer questions, but then refused to answer questions from Glankler Brown which the Board is relying upon to assist in determining what transpired; and whereas the Board has since received official copies of the Glankler Brown Report, absent the information and input of President Lee; and further,

**WHEREAS**, under the belief that it is the Board's responsibility to insure that this matter is sufficiently reviewed for the benefit of evaluating what MLGW policies, if any, need to be modified and what questions need to be asked within the public arena to begin to rebuild the public's trust in MLGW as a community institution, Commissioner Clark has requested written questions or comments from Glankler Brown and President Lee; and further,

**WHEREAS**, should the public have questions concerning this matter or other MLGW matters, the public may write to the Board or e-mail the Board at [mlgwboard@mlgw.org](mailto:mlgwboard@mlgw.org); and further,

**WHEREAS**, as part of the Board's review of the Ford Billing matter, MLGW's Internal Audit Department, which reports directly to the Board, expects to



complete its review and issue its report in time for the April 19<sup>th</sup> Board meeting; and further,

**WHEREAS**, it would be beneficial to the Board to have responses to certain questions to be incorporated into the Credit and Collection Internal Audit Report.

**NOW THEREFORE BE IT RESOLVED** by the Board of Light, Gas and Water Commissioners, **THAT**:

The MLGW Board of Commissioners will provide to Glankler Brown a copy of the April 4, 2007 letter and attachments from President Lee as represented by his counsel Robert Spence and request a written response to the questions posed by such by April 10, 2007; and further,

The MLGW Board of Commissioners will provide to President Lee a copy of the memo dated April 3, 2007 with attachments from Glankler Brown and request a response to the questions posed in such by April 10, 2007.

It was moved by Commissioner Clark, seconded by Vice Chairman Evans and carried, that the above resolution is approved as amended, with Commissioners Masson, Evans and Clark voting yes, and Commissioners Taylor and Bowden voting no.

26. John Moore, MLGW employee, 1750 Jackson Avenue, appeared before the Board to discuss various matters.

27. Bill Hawkins, IBEW Local 1288, 4000 Clearpool Circle, appeared before the Board to discuss various matters.

28. Rick Thompson, 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. 1292.

Secretary-Treasurer