

MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
April 21, 2005

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, April 21, 2005 at 1:30 p.m. The following were in attendance: L. R. Jalenak, Chairman; Rick Masson, Vice Chairman; V. Lynn Evans, Commissioner; Nick Clark, Commissioner; Joseph Lee, III, President and CEO; John McCullough, Vice President, CFO and Secretary-Treasurer; Max Williams, Vice President and General Counsel; 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. Commissioner Russell was not in attendance.

Vice Chairman Masson moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held April 7, 2005, that they be recorded as the official record, seconded by Commissioner Evans and unanimously carried.

The Secretary-Treasurer acknowledged receipt of certified copies of City Council Resolutions dated April 5, 2005, Item Nos. 9 through 24, approving items approved by the MLGW Board at meeting held March 17, 2005; and Item Nos. 29 and 30, approving items approved by the MLGW Board at meeting held March 3, 2005. (See Minute File No. 1267.)

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11038, Labor and Benefits Cost Assessment, to Public Financial Management in a funded amount not to exceed \$68,097.

This professional-services contract includes the development of initiatives to offset potential personnel-related Operations and Maintenance (O&M) cost increases connected to MLGW's long-term financial strategy.

The findings and recommendations of this contract will provide to MLGW critical costs and strategies to be considered in the development of the 2006 Operating Budget.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of Contract No. 11038 to Public Financial Management in an amount not to exceed \$68,097 as outlined in the foregoing preamble is approved; and further,

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

2. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 10 to Contract No. 10784, Construction of Underground Distribution System, with A & L Underground, Inc. to change the scope to extend the contract beginning May 1, 2005 through June 30, 2005. The current contract expires April 30, 2005 for the second term. The contract value is increased in an estimated funded amount of \$2,150,000.

This change is necessary to provide the extended period for business continuity and to mutually agree on the revised contract language and quantities for the third contract term. The extended contract amount is \$2,150,000.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No.10 to Contract No. 10784 with A & L Underground, Inc. in an estimated funded amount of \$2,150,000 as outlined in the foregoing preamble is approved; and further,

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

3. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for digger derricks which are used by distribution crews to install and/or maintain electric, gas and water systems. This equipment replaces existing equipment that will be retired.

Bids were opened on February 16, 2005, with the lowest and best complying bidder of two bidders being Terex Utilities in the amount of \$165,899.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Terex Utilities is approved for furnishing:

1 – Latest model truck-mounted hydraulic derrick with hydraulic hole digger and a maximum load capacity of at least 12,000 lbs., to be rear mounted on single axle cab and chassis supplied by the Division with 37,000 lbs. of GVW rating and a 108 inch cab-to-axle dimension, all in accordance with MLGW Specification No. TDD-04-3250, at \$77,989 each

1 – Latest model truck-mounted hydraulic derrick with hydraulic hole digger and a maximum load capacity of at least 28,000 lbs., to be rear mounted on tandem axle cab and chassis supplied by the Division with 52,000 lbs. of GVW rating and a 138 inch cab-to-axle center of tandem dimension, all in accordance with MLGW Specification No. TDD-04-3270, at \$87,910 each

totaling \$165,899, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; within 210 days.

4. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for cab and chassis with concrete batch system which is used by Distribution Support street repair crews to install and/or maintain electric, gas and water systems. The new equipment will allow on-site mixing of concrete to reduce time and waste.

Bids were opened on February 16, 2005, with the lowest and best complying bidder of five bidders being Mid-America International Trucks, Inc. in the amount of \$131,649.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Mid-America International Trucks, Inc. is approved for furnishing:

1 – International Model No. 7600, 6 x 4 with tandem axle cab and chassis, having at least 66,000 lbs. of GVW rating, complete with 10-yard mobile concrete mixer body, all in accordance with MLGW Specification No. TCC-04-5095

totaling \$131,649, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery in 60 – 90 days.

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5. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for a hydraulic-mobile crane which is used by Heavy Equipment in support of substation, transmission and distribution crews to install and/or maintain electric, gas and water systems. This equipment replaces existing equipment that will be retired.

Bids were opened on February 3, 2005. Although no bids were received which completely met all requirements, the lowest and best bidder of five bidders was National Equipment Services in the amount of \$484,875.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to National Equipment Services is approved for furnishing:

1 – Terex Model No. T-775 truck hydraulic mobile crane having a load capacity of at least 150,000 lbs., complete with 8 x 4 truck-type carrier, all in accordance with MLGW Specification No. TRHC-04-5114, at \$475,290 each

1 – Swing-a-way lattice-type jib, extendable from approximately 33 feet to 56 feet; side boom storage, three angle off-settable and manual pull out section, at \$9,585 each, to include 64-hour mechanic training and 16 hours of operator training at no additional cost

totaling \$484,875, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery in 150 days.

6. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for Radio-Based Supervisory Control and Data Acquisition System which consists of one lot of 17 remote site equipment, one lot of central site equipment and one lot of software configuration. The radio-based system will replace the existing communications system. The system will allow MLGW a means to restore control and indication without having to replace the current cable grid. The system is compatible with recent upgrades and prevents further costs associated with training and spare parts.

Bids were opened on March 2, 2005, with the only bidder being Bristol Babcock, Inc. in the amount of \$113,374.993.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Bristol Babcock, Inc. is approved for furnishing:

1 – Lot of 17 remote site equipment in accordance with MLGW specifications dated February 4, 2005, at \$4,497.529 each

1 – Lot of central site equipment in accordance with MLGW specifications dated February 4, 2005, at \$24,167 each

1 – Lot of software configuration in accordance with MLGW specifications dated February 4, 2005, at \$12,750 each

totaling \$113,374,993; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery in 120 days.

7. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for one three-phase power system, one high-power convertible VI sources, one GPS satellite receiver interface, one simulator control and auto module, and one GPS receiver and antenna. The test system and its accessories are needed for the new numerical-based relays that are being purchased by Engineering. Such relays require multiple output and input channels in order to properly test and troubleshoot.

Bids were received on March 8, 2005, with the only bidder being Doble in the amount of \$49,690.

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

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

1 – Three-phase power system simulator, Model No. F6150, at \$36,215

1 – High-power convertible VI sources, Model No. F6810, at \$4,265

1 – GPS satellite receiver interface, Model No. F6885, at \$2,315

1 – Simulator control and auto module, Model No. F6910, at \$5,460

1 – GPS receiver and antenna, Model No. F6895, at \$1,220

totaling \$49,690; f.o.b. Watertown, Massachusetts, transportation prepaid and add; said prices being firm; delivery in four weeks.

8. The Manager, Procurement and Contracts submitted for consideration of the Board analysis of bids received up to 2:00 p.m. Wednesday, November 3, 2004, for furnishing the Division with Inductively-Coupled Plasma-Mass Spectrometer (ICP-MS).

The Board was advised that after analysis of all bids received, it was determined that the Division's specifications were incomplete. It is further recommended that all bids be rejected, that specifications be re-written and a Request for Proposal (RFP) submitted at a later time.

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

THAT, All bids for furnishing the Division with Inductively-Coupled Plasma-Mass Spectrometer (ICP-MS) are hereby rejected.

9. The General Counsel submitted to the Board the March 31, 2005 Quarterly Report of the Customer Advocate Committee. It is recommended that the Board approve and uphold the decisions reflected therein.

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

THAT, The attached March 31, 2005 Quarterly Report of the Customer Advocate Committee is approved and upheld by the Board. (See Minute File No. 1268.)

10. By unanimous consent, Item No. 10, resolution regarding Key Life Insurance and Plus One policies, was deleted from the agenda.

11. The Secretary-Treasurer advised the Board that an additional 90-day interim loan of up to \$750,000 should be made to Memphis Networx in order to participate in a financing opportunity beneficial to MLGW. Although funding for this has been authorized by the MLGW Board and City Council within the \$32 million inter-divisional loan, it was not anticipated at the time of 2005 Budget approvals but is now recommended.

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

THAT, An additional 90-day interim loan of up to \$750,000 to Memphis Network as outlined in the foregoing preamble is approved.

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12. The Manager, Electric Engineering presented for consideration of the Board approval to acquire easement rights for a 225 ft. wide transmission line from Margaret Goshorn Boyd-Woods, Laurie Goshorn Mitchell and Neumon Taylor Goshorn for a proposed transmission line circuit, said property being shown on the attached sketch (see Minute File No. 1268) and more particularly described as follows:

Easement is across a tract of land conveyed to Margaret Goshorn Boyd-Woods, Laurie Goshorn Mitchell and Neumon Taylor Goshorn 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. N8-7448, P1-5911, R1-7184, S2-2187, T4-0670, U8-0444, W1-0863, W2-6370, AF-0723, N8-7450, P1-5912, R1-7183, S2-2188, T4-0671, U8-0445, W1-0864, W2-6368, Y9-0752, N8-7449, P1-5910, R1-7185, S2-2186, T4-0672, U8-0443, W1-0865, W2-6369 and Y9-0753 and being the same property as shown on the attached plat prepared by Ollar Surveying Company and dated 12/9/04 and made a part hereof. (See Minute File No. 1268.)

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 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 southwest corner of Austin Peay Highway and Millington-Arlington Road.

It was moved by Commissioner Clark, seconded by Commissioner Evans 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 Margaret Goshorn Boyd-Woods, Laurie Goshorn Mitchell and Neumon Taylor Goshorn for and in consideration of \$73,020 to be funded from the Electric Division included in the 2005 Budget; and further,

THAT, The President of MLGW or his designated representatives are authorized to purchase easement described in the above preamble.

13. J. D. Cox appeared before the Board to discuss Item No. 2.

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14. Rickey Rogers, 231 Nancye Reeder, terminated employee, appeared before the Board for the second time to request reinstatement of employment.

15. Jarvis Price, 1004 Galloway, terminated employee, appeared before the Board to request reinstatement of employment.

16. John Benson, 1163 Ethel, retired employee, appeared before the Board regarding his demotion from Manager while employed at MLGW.

17. Inez B. Jacobs, 2193 Piedmont Avenue, retired employee, appeared before the Board regarding her salary.

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

SEE MINUTE FILE NO. 1268.

Secretary-Treasurer