

MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
May 4, 2006

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, May 4, 2006 at 1:30 p.m. The following were in attendance: Rick Masson, Chairman; V. Lynn Evans, Vice Chairman; William L. Taylor, Commissioner; James L. Russell, 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. Nick Clark, Commissioner and Linda Peppers, Vice President and Chief Technology Officer were not in attendance.

Commissioner Taylor moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held April 20, 2006, that they be recorded as the official record, seconded by Commissioner Russell and unanimously carried.

The Secretary-Treasurer acknowledged receipt of certified copies of City Council Resolutions dated April 25, 2006, Item Nos. 11 through 26, approving items approved by the MLGW Board at meeting held April 6, 2006. (See Minute File No. 1280.)

The Secretary-Treasurer updated the Board on City Council matters.

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of expenditure on Contract No. 11071, Emergency Aid Agreement, with Davis H. Elliot Company for the reimbursement of costs which includes labor, equipment, meals, lodging, transportation and other charges as a result of Distribution Support's request for emergency aid for the August 30, 2005 storm in the funded amount of \$15,494.

The project scope is MLGW's request of Davis H. Elliot Company to perform emergency restoration work to our electric system due to the storm of August 30, 2005 in accordance with the pre-existing Emergency Aid Agreement. This payment reflects balance of total invoice previously submitted for storm work performed.

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

THAT, Approval of expenditure of funds on Contract No. 11071 with Davis H. Elliot Company in the funded amount of \$15,494, as outlined in the foregoing preamble, is approved; and further

THAT, The President or his designated representative is authorized to make payment.

2. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11103, Fire Protection System for Shaw Pumping Stations, to Simplex/Grinnell, LP in the funded amount of \$47,049.

The project scope is to furnish all supervision, labor, transportation, equipment and material to install a fire protection system in the generator room at the Patricia Walker Shaw Water Pumping Station located at 10300 Humphrey Road in Memphis and Shelby County, Tennessee. This is part of MLGW's ongoing effort to upgrade all facilities with fire protection to comply with FM Global recommendation to lower insurance rates.

Bids were opened on April 5, 2006 for Contract No. 11103, Fire Protection System for Shaw Pumping Stations. The best bidder of two bidders was Simplex/Grinnell, LP.

It was moved by Vice Chairman Evans, 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. 11103 to Simplex/Grinnell, LP in the funded amount of \$47,049, as outlined in the foregoing preamble, is approved; and further,

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

3. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11105, Aerator Maintenance, to R. P. Services, in the funded amount of \$192,996.25.

The project scope is to furnish all supervision, labor, tools, equipment and transportation necessary to mechanically and hydro-clean aerator structures, floors, media and dosing assemblies of biological films, floc and aquatic plant growths throughout Memphis and Shelby County, Tennessee. The work is necessary to meet State of Tennessee requirements for water processing and maintenance of aerator systems.

Bids were opened on April 5, 2006 for Contract No. 11105, Aerator Maintenance. The best bidder of two bidders was R.P. Services.

It was moved by Vice Chairman Evans, 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. 11105 to R. P. Services, in the funded amount of \$192,996.25, 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 the rejection of bids received up to 4:00 p.m. on Tuesday, April 18, 2006 and publicly opened and read on Wednesday, April 19, 2006 at 2:00 p.m. for Contract No. 11111, Retrofit of High Voltage Underground Transmission Cable.

Bids are being rejected by the Contract Management Department due to the absence of a Tennessee Contractor's License with the correct monetary limits and classification. The Contract Management Department will re-bid the contract upon confirmation from the State of Tennessee Licensing Board that the proposed bidders have been granted a license with the correct monetary limits and classification.

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

THAT, All bids for Contract No. 11111 be and are hereby rejected as outlined in the foregoing preamble.

5. The Vice President, Customer Operations presented for consideration of the Board approval of Contract No. 11137, with PEAK (Public Energy Authority of Kentucky, Inc.), to purchase natural gas. MLGW has a special arrangement with PEAK whereby PEAK prepays for the natural gas, the natural gas is delivered to MLGW, and MLGW pays for the gas after it is delivered to MLGW, as is our normal business

practice. MLGW will receive a discount to Index for all gas purchased under this agreement. The relevant Index is Texas Gas Transmission Zone 1 Pool. The contract with PEAK will commence on June 1, 2006 and will be for an initial term of five years. A rollover term of an additional five years will be available at MLGW's option.

The agreement includes a standard NAESB (North American Energy Standards Board) agreement and a Supplemental Agreement. The agreements detail terms and conditions for natural gas of 10,000 MMBtu/day in summer (April – October) and 20,000 MMBtu/day in winter (November – March).

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

THAT, Contract No. 11137 with PEAK is approved, as outlined in the foregoing preamble; and further,

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

6. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners Change No. 6 to Contract No. 10783, Emergency Aid Agreement, with Dillard Smith Construction Company, to approve the reimbursement of costs which includes labor, equipment, other expenses as a result of Distribution Support's request for emergency aid for the storm on February 17 & 18, 2006 in the funded amount of \$48,786.15.

The project scope is MLGW's request for Dillard Smith Construction Company to mobilize and to perform emergency restoration work to our electric system due to the storm on February 17 & 18, 2006 in accordance with the pre-existing Emergency Aid Agreement.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 6 to Contract No. 10783 with Dillard Smith Construction Company in the funded amount of \$48,786.15, 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 Change No. 2 to Contract No. 10948, Repair of

Residential Gas Meters, with Tri-State Meter and Regulator Service, to renew the contract for the second renewal term of four renewal terms covering the period July 1, 2006 to June 30, 2007 in an estimated funded amount of \$246,866.95.

The project scope is to cover two-way transportation and repair of residential gas meters from 175SCF through 415SCF capacity from various manufacturers. The contract is necessary for maintenance to residential gas meters and to extend the life cycle of gas meters presently installed in the gas system, and to renew the contract for the second renewal term of four renewal terms covering the period July 1, 2006 to June 30, 2007 with no increase in current contract prices. The new contract amount is \$726,511.77.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 2 to Contract No. 10948 with Tri-Meter and Regulator Service in an estimated funded amount of \$246,866.95, as outlined in the foregoing preamble, is approved; and further,

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

8. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners Change No. 2 to Contract No. 10977, Tires and Tire Service, with Southern Tire Mart, LLC, to renew the contract for the second renewal term of four renewal terms beginning June 12, 2006 to June 11, 2007 in an estimated funded amount of \$554,407.34 which is based on unit volume of work.

The project scope is to furnish tires and tire repair service for the entire MLGW fleet of vehicles and equipment in Memphis and Shelby County, Tennessee, and to renew this contract for the second renewal term of four renewal terms beginning June 12, 2006 to June 11, 2007. The estimated funded amount as mentioned above represents an overall increase of less than 3%. The new contract value is \$1,617,608.16.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 2 to Contract No. 10977 with Southern Tire Mart, LLC in an estimated funded amount of \$554,407.34, as outlined in the foregoing preamble, is approved; and further,

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

9. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners Change No. 5 to Contract No. 10979, Network Maintenance, with Venture Technologies, to change the scope to renew the contract for a second renewal term of four renewal terms covering the period July 1, 2006 to June 30, 2007 in the funded amount of \$440,234.

The project scope has changed to renew the contract for a second renewal term of four renewal terms covering the period July 1, 2006 to June 30, 2007, which will allow Venture Technologies to continue to provide Cisco Manufacturer Support & Venture Support for MLGW Corporate Network in the funded amount of \$440,234. The MLGW Corporate Network connects all MLGW computer systems and work centers to one common server to allow employees access to the same information. This renewal includes no increase in rates. The CCNP technician hours will not exceed 416 hours per year and the CCIE technician will not be utilized during this term. The new contract amount is \$1,341,531.69.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 5 to Contract No. 10979 with Venture Technologies in the funded amount of \$440,234, as outlined in the foregoing preamble, is approved; and further,

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

10. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners Change No. 2 to Contract No. 10987, Helicopter Herbicide Spraying, with Helicopter Applicators, Inc., to renew the contract for the first renewal term of four renewal terms beginning June 20, 2006 to June 19, 2007 in an estimated funded amount of \$156,351.

The project scope is to provide helicopter and/or ground herbicide spraying services for MLGW transmission lines over approximately 1000 acres located in Memphis and Shelby County, Tennessee, and to renew the contract for the first renewal term of four renewal terms beginning June 20, 2006 to June 19, 2007. The estimated funded amount as mentioned above represents a unit price increase adjustment from

\$90.00 per acre to \$95.00 per acre, due to increased pricing on diesel fuel, labor and chemicals utilized for ground herbicide applications. Also, the upland herbicide mix + will increase from \$42.00 to \$49.18 per acre. The new contract value is \$378,088.50.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 2 to Contract No. 10987 with Helicopter Applicators, Inc. in an estimated funded amount of \$156,351, as outlined in the foregoing preamble, is approved; and further,

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

11. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners, Change No. 1 to Contract No. 11039, MLGW Gas/Water Leak Surveys, with Heath Consultants, Inc., to renew the contract for the first renewal term of four renewal terms beginning July 1, 2006 to June 30, 2007 in an estimated funded amount of \$386,505.01.

The project scope is to survey MLGW's Gas/Water Systems for the detection of leaks and the training of personnel for detecting such leaks in Memphis and Shelby County, Tennessee, and to renew the contract for the first renewal term of four renewal terms beginning July 1, 2006 to June 30, 2007 with an approximate 5 percent overall increase in rates. This renewal adds a pinpointing crew for water leak survey at a rate of \$56.25 per hour. The new contract amount is \$717,565.11.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 11039 with Heath Consultants, Inc. in an estimated funded amount of \$386,505.01, as outlined in the foregoing preamble, is approved; and further,

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

12. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners Change No. 1 to Contract No. 11041, Right-of-Way Mowing, with Bean & Prince Contractors, Inc., to renew the contract for the first renewal term of four renewal terms beginning July 3, 2006 to July 2, 2007 in an estimated funded amount of \$136,500.

The project scope is to perform grass mowing on MLGW Rights-of-Way on an as-needed basis in Memphis and Shelby County, Tennessee, and to renew this contract for the first renewal term of four renewal terms beginning July 3, 2006 to July 2, 2007. The estimated funded amount as mentioned above represents an overall increase of 5 percent over current rates due to cost of living expenses as well as rising fuel costs. The new contract value is \$266,500.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 11041 with Bean & Prince Contractors, Inc. in an estimated funded amount of \$136,500, as outlined in the foregoing preamble, is approved; and further,

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

13. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners Change No. 1 to Contract No. 11080, Managed Prescription Drug Program, with Express Scripts, Inc. to perform additional work to facilitate the filing of prescription information to the Center for Medicare Services for Medicare D Subsidy payments on behalf of MLGW. This program is funded by the MLGW Medical Benefit Fund which receives premium contributions. This addition is effective January 1, 2006 through December 31, 2006 in the funded amount of \$24,500.

The project scope is for Express Scripts to provide services to MLGW for the Retiree Drug Subsidy. As part of MLGW selected Enhanced Service, Express Scripts will send the subsidy reports directly to the Center for Medicare Services on behalf of MLGW to receive subsidy payments for eligible members. This program is funded by the MLGW Medical Benefit Fund which receives premium contributions. This addition is effective January 1, 2006 through December 31, 2006. The new contract amount is \$10,664,637.

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

THAT, Change No. 1 to Contract No. 11080 with Express Scripts, Inc. in the funded amount of \$24,500, as outlined in the foregoing preamble, is approved; and further,

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

14. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners that it award the purchase of trucks, vans and sedans which are used to maintain electric, gas and water systems, and for meter reading and various customer service functions. This equipment replaces existing equipment that will be retired.

Bids were opened on March 8, 2006. The lowest and best complying bidders of seven bidders were the firms of Gossett Motor Cars for one item, Crossroads Ford for four items, Golden Circle Ford for two items, and Homer Skelton Ford for three items. Two items will not be awarded, no bids were submitted on item #4 Specification No. TVT-06-0050, and it is requested that the bids submitted on item #9 Specification No. TPU-06-0088 be rejected, none of the submitted bids met specifications. The need for these items will be reevaluated and they will be re-bid at a later time, if necessary. The total for all items is \$1,806,979.80.

It was moved by Vice Chairman Evans, 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 Gossett Motor Cars is approved for furnishing:

80 – 2006 Dodge Model DH7L62 ¾ ton full size long wheel base pickups, all in accordance with MLGW Specification No. TPU-06-0085, at \$15,578.15 each,

totaling \$1,246,252; f.o.b. Memphis, TN, transportation prepaid, said prices being firm; with delivery within 90 – 120 days; and further,

Crossroads Ford, be, and is hereby, awarded contract for furnishing the Division with:

3 – 2006 Ford F-150 ½ ton full size long wheelbase pickup trucks, all in accordance with MLGW Specification No. TPU-06-0075, at \$13,618.98 each,

2 – 2007 Ford F-250 ¾ ton full size, four-wheel drive, long wheelbase pickup trucks, all in accordance with MLGW Specification No. TPU-06-0086, at \$18,566.02 each,

1 – 2006 Ford Explorer XLT, four-wheel drive, four-door sport utility, all in accordance with MLGW Specification No. TSUV-06-0056, at \$22,727.98 each,

6 – 2006 Ford Escapes with gasoline electric hybrid type power train, all in accordance with MLGW Specification No. TSUV-06-0007, at \$24,596.74 each,

totaling \$248,297.40; f.o.b. Memphis, TN, transportation prepaid, said prices being firm; with delivery within 90 – 120 days; and further,

Golden Circle Ford, Lincoln, and Mercury be, and is hereby, awarded contract for furnishing the Division with:

4 – 2007 Ford Taurus four door sedans, all in accordance with MLGW Specification No. TS-06-0005, at \$13,210.60 each,

5 – 2006 Ford F-150 ½ ton full size pickup trucks, all in accordance with MLGW Specification No. TPU-06-0065, at \$13,333.60 each,

totaling \$119,510.40; f.o.b. Memphis, TN, transportation prepaid, said prices being firm; with delivery within 60 – 120 days; and further,

Homer Skelton Ford be, and is hereby, awarded contract for furnishing the Division with:

6 – 2006 Ford E-250 ¾ ton vans with swing out cargo doors on the curb side, all in accordance with MLGW Specification No. TVT-06-0035, at \$14,277 each,

4 – 2006 Ford E-250 ¾ ton vans with sliding curb side door, all in accordance with MLGW Specification No. TVT-06-0038, at \$14,292 each,

3 – 2006 Ford F-350 cab and chassis with 60 inch cab to axle dimension, all in accordance with MLGW Specification No. TCC-06-1120, at \$16,710 each,

totaling \$192,920; f.o.b. Memphis, TN, transportation prepaid, said prices being firm; with delivery within 60 – 120 days.

The total of all awards amounts to \$1,806,979.80.

15. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners that it award the purchase of pneumatic tamping rammers used to tamp (pack down tightly) back field trenches.

Bids were opened on April 13, 2006. Although bids were solicited from three bidders, the only bid received was from the firm of Chris Georges Sales Co., Inc., in the amount of \$36,430.

It was moved by Vice Chairman Evans, 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 Chris Georges Sales Co., Inc. is approved for furnishing:

10 – Model #R450A pneumatic tamping rammers in accordance with MLGW specifications or MLGW approved equal; at \$3,643 each,

totaling \$36,430; f.o.b. Memphis, TN, our dock, transportation prepaid; said price being firm; delivery in 7 – 10 days.

16. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners that it award the purchase of aluminum trench shields used to prevent trenches from caving in.

Bids were opened on April 18, 2006. The lowest and best complying bidder of two bidders was the firm of Trench Safety in the amount of 41,365.36.

It was moved by Vice Chairman Evans, 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 Trench Safety is approved for furnishing:

2 – Pro-Tec Equipment (Modular Series) 8’ sq x 8’ high aluminum trench shields in accordance with MLGW specifications or MLGW approved equal at \$9,733.38 each,

2 – Pro-Tec Equipment (Modular Series) 10’ sq x 8’ high aluminum trench shields in accordance with MLGW specifications or MLGW approved equal at \$10,949.30 each,

totaling \$41,365.36; f.o.b. Memphis, TN, our dock, transportation prepaid; said prices being firm; delivery in 2 – 3 weeks.

17. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners that it award the purchase of air disconnect switches for replacement of existing equipment at Substation #'s 1 and 6.

Bids were opened on March 15, 2006. The lowest and best complying bidder of seven bidders was the firm of USCO Power Equipment Corporation c/o Curtis H. Stout of Tennessee, in the amount of \$77,254.

It was moved by Vice Chairman Evans, 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 USCO Power Equipment Corporation c/o Curtis H. Stout of Tennessee is approved for furnishing:

1 lot of 7 – three pole vertical break air disconnect switches; 123kV, 1200 ampere with accessories as shown on MLGW drawing 6-610, items 3 and 4, all in complete accordance with MLGW specifications dated January 18, 2006 and data sheet “DB” dated January 18, 2006, at \$61,286 all,

2 – three pole vertical break air disconnect switches, 123kV, 2000 ampere with accessories as shown on MLGW drawing 1-582, items 1 and 2, all in complete accordance with MLGW specifications dated January 18, 2006 and data sheet “DD” dated January 18, 2006, at \$7,984 each,

totaling \$77,254; f.o.b. Memphis, TN, transportation prepaid; said prices being firm; delivery 20 weeks after receipt of order.

18. The Manager, Procurement and Contracts submitted for consideration of the Board analysis of bids received up to 4 o'clock p.m., Tuesday, April 18, 2006 for furnishing the Division with one self-propelled mini-derrick.

The Manager, Procurement and Contracts advised the Board that although nine bids were solicited, three bids were received, none of which meet MLGW's specifications. It is therefore her recommendation that the bids received be rejected and re-bid at a later time.

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

THAT, The bids for furnishing the Division with one self-propelled mini-derrick be, and are hereby rejected.

19. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners that it award the purchase of a mobile crane which is used by storeroom material crews to move, lift, assemble, load/unload or otherwise handle division material or equipment up to 35 tons. The recommendation is to award the alternate bid, which exceeds specifications. The recommendation is based on a 1.7 percent increase in cost to provide a 20 percent increase in maximum lifting capacity, 8.5 percent increase in lifting capacity at 20 feet and a 44 percent reduction in delivery time to allow receipt before the end of the 2006 budget year. This equipment replaces existing equipment that will be retired.

Bids were opened on April 19, 2006. The lowest and best complying bidder of four bidders was the firm of H & E Equipment Services, Inc. in the amount of \$255,150.

It was moved by Vice Chairman Evans, 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 H & E Equipment Services, Inc. is approved for furnishing:

1 – latest model fully hydraulic, mobile crane with rotating cab having a maximum lifting capacity of at least 32,000 pounds at a 20 foot radius, a 4x4x4 type carrier, all in accordance with Division Specification No. TRYC-06-0570,

totaling \$255,150; f.o.b. Memphis, TN, transportation prepaid; said prices being firm; delivery by September 2006.

20. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners that it award the purchase of cab and chassis which are used to maintain electric, gas and water systems, and for meter reading and various customer service functions. This equipment replaces existing equipment that will be retired.

Bids were opened on April 19, 2006. The lowest and best complying bidders were the firms of Crossroads Ford for seven items and Golden Circle Ford for one item. The total for all items is \$520,597.05.

It was moved by Vice Chairman Evans, 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 Crossroads Ford is approved for furnishing:

6 – 2007 Ford F-350 (F36) cab and chassis with 60 inch cab to axle dimension, all in accordance with MLGW Specification No. TCC-06-1160, at \$16,606.92 each,

2 – 2007 Ford F-450 (F46) cab and chassis with 60 inch cab to axle dimension, all in accordance with MLGW Specification No. TCC-06-1162, at \$25,698.50 each,

2 – 2007 Ford F-550 (F56) cab and chassis with 84 inch cab to axle dimension, all in accordance with MLGW Specification No. TCC-06-1163, at \$27,823.50 each,

3 – 2007 Ford F-550 (W56) cab and chassis with 84 inch cab to axle dimension, all in accordance with MLGW Specification No. TCC-06-1190, at \$30,580.50 each,

3 – 2007 Ford F-450 (F46) cab and chassis with 84 inch cab to axle dimension with stake body, all in accordance with MLGW Specification No. TCC-06-5015, at \$30,408.10 each, one option to include hydraulic lift gate, at \$2,275 each,

1 – 2007 Ford F-250 (X20) super cab, long wheelbase pickup truck with fleet side bed, all in accordance with MLGW Specification No. TPU-06-0088, at \$18,314.03 each,

3 – 2007 Ford F-250 (X21) crew cab, four wheel drive, 8' bed, long wheelbase pickup trucks with fleet side bed, all in accordance with MLGW Specification No. TPU-06-0089, at \$26,185.70 each,

totaling \$488,797.45; f.o.b. Memphis, TN, transportation prepaid, said prices being firm; with delivery with 90- 120 days; and further,

Golden Circle Ford, Lincoln, and Mercury be, and is hereby, awarded contract for furnishing the Division with:

1 – 2007 Ford F-550 (W56) four wheel drive cab and chassis with 84 inch cab to axle dimension, all in accordance with MLGW Specification No. TCC-06-1210, at \$31,799.60 each,

totaling \$31,799.60; f.o.b. Memphis, TN, transportation prepaid; said prices being firm; with delivery within 60 – 120 days.

The total of all awards amounts to \$520,597.05.

21. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners that it award the purchase of 79,000 lbs of Molecular Sieve Material. The material is used to remove carbon dioxide (CO₂) and moisture from natural gas prior to entering the cold box (freezer with pipelines leading to storage tanks) which turns the gas into a liquid form-260 below zero. If the natural gas did not have the CO₂ and moisture removed prior to entering the cold box, the gas pipes would freeze and begin a build up of frozen moisture, which would make the flow smaller and smaller eventually leading to closure of the pipes. Natural gas in a liquid form is 620 times smaller than natural gas in its gaseous state.

Bids were received on April 5, 2006. Three bids were solicited; however, only one bid was received. The lowest and best complying bidder of one bidder was the firm of UOP LLC in the amount of \$134,641.

It was moved by Vice Chairman Evans, 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 UOP LLC is approved for furnishing:

79,000 lbs of Molecular Sieve Material.

totaling \$134,641; f.o.b. Memphis, TN, transportation prepaid; said prices being firm; delivery in 12 weeks.

22. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners that it award the purchase of thirty (30) combustible gas indicators which are used to test for leakage of gas, carbon monoxide production and/or oxygen deficiency. These instruments will conduct testing simultaneously and it will eliminate the need for multiple testing instruments.

Bids were received on April 5, 2006. The lowest and best complying bidder of four bidders was the firm of Tri-State Meter and Regulator Service, Inc. in the amount of \$59,718.90.

It was moved by Vice Chairman Evans, 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 Tri-State Meter and Regulator Service, Inc. is approved for furnishing:

30 – Combustible gas indicators, Model SG00600-H.

totaling \$59,718.90; f.o.b. Memphis, TN, transportation prepaid; said prices being firm; delivery in four weeks or less.

23. The Manager, Procurement and Contracts requested the Board's permission to amend Purchase Order Number 126300 with United States Pipe and Foundry for a one-year supply of ductile iron pipe as budgeted.

On September 15, 2005, the Board of Light, Gas and Water Commissioners approved the award of a one-year contract for various sizes of ductile iron pipe. The original award amount was \$765,124. The award was quoted as firm prices for one-year from the date of the bid opening. However, due to high demand for water work to be done by Memphis Light, Gas and Water crews, the use has far exceeded the anticipated needs. In previous years, contracted crews installed the majority of larger size pipe and furnished their own material. Additionally, the volatility in the oil and scrap metal markets has caused unforeseen increases in the purchase order prices of approximately 17 percent which will be implemented on June 21, 2006. Total expenditures to date on this contract are \$418,377.16 with a balance of \$346,746.84. Therefore, an additional approval in the amount of \$727,832 is requested to allow MLGW to release the pipe required for MLGW stock and scheduled jobs before the proposed price increase on June 21, 2006. This release will save MLGW \$184,484.65. This will bring the total approved amount to \$1,492,956.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Purchase Order Number 126300 be amended as outlined in the foregoing preamble.

24. The President submitted for approval of the Board the following position numbers, per the attached documents: (See Minute File No. 1281.)

Position No. 00082, Utility Worker II
Position No. 00504, Utility Worker II
Position No. 00578, Utility Worker II
Position No. 00588, Utility Worker II
Position No. 00726, Utility Worker II
Position No. 00800, Utility Worker II
Position No. 00937, Troubleshooter

Position No. 00940, Utility Worker II
 Position No. 01747, Chief, Cashiering Operations
 Position No. 02172, Utility Worker II
 Position No. 02500, Energy Engineer I
 Position No. 02616, Utility Worker II
 Position No. 02731, Utility Worker II
 Position No. 03472, Customer Service Technician II
 Position No. 04073, Utility Worker II
 Position No. 04681, Procurement Processor
 Position No. 04938, Work Management Engineer, Level I
 Position No. 05118, Utility Worker II
 Position No. 05314, Systems Operator I
 Position No. 05480, Hispanic Credit Counselor (Part-time)
 Position No. 05895, Foreman, Main Construction & Maintenance
 Position No. 05897, Utility Worker II
 Position No. 05988, Utility Worker II
 Position No. 05991, Utility Worker II
 Position No. 05992, Utility Worker II
 Position No. 06104, Utility Worker II

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

THAT, Position numbers 00082, 00504, 00578, 00588, 00726, 00800, 00937, 00940, 01747, 02172, 02500, 02616, 02731, 03472, 04073, 04681, 04938, 05118, 05314, 05480, 05895, 05897, 05988, 05991, 05992, and 06104, as listed in the foregoing preamble, are approved.

25. The Acting Manager, Electric Operations presented for approval of the Board W. R. No. C1H81647, in the amount of \$49,500 for a new infrared camera which is an integral part of the daily preventative maintenance operations of the power test section/thermal imaging of the MLGW power system.

This is a request for contingency funds in the amount of \$49,500 to be taken from the 2006 Capital Budget, Line Item 24-3 – Laboratory Equipment – Account 1101-3950.

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

THAT, W. R. No. C1H81647 in the amount of \$49,500, as outlined in the foregoing preamble, is approved.

26. The Manager of Electric Engineering presented for consideration of the Board approval to purchase the following described easement from Wayne G. McGowan, III and Charlotte M. McCraw, for a proposed 225 foot wide electric transmission line easement, said easement being shown on the attached sketch (See Minute File No. 1281) and more particularly described as follows:

This easement is across a tract of land conveyed to Wayne G. McGowan, III and Charlotte M. McCraw, by deed of record as described in the

Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument Number 02178578, designated as tract I and tract III, and being the same property as shown on the attached plat prepared by Ollar Surveying Company and dated February 12th, 2006 and made a part hereof.

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

Property located on the south side of Stewart Road; approximately 6183.1 feet south of the south line of Paul Barret Parkway as measured along the easterly line of Stewart Road.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor 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 Wayne G. McGowan, III and Charlotte M. McCraw, for and in consideration of \$255,856 to be funded from the Electric Division included in the 2006 Budget; and further,

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

27. The Manager of Electric Engineering presented for consideration of the Board approval to purchase the following described easement from Ross-McGowan Properties L.P., for a proposed 225 foot wide electric transmission line easement, said easement being shown on the attached sketch (See Minute File No. 1281) and more particularly described as follows:

This easement is across a tract of land conveyed to Ross-McGowan Properties L.P., by deed of record as described in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument Number 02197359, and being the same property as shown on the attached plat prepared by Ollar Surveying Company and dated June 22, 2005 and made a part hereof.

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

Property located on the south side of Stewart Road; approximately 5183.20 feet south of the south line of Paul Barret Parkway as measured along the easterly line of Stewart Road.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor 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 Ross-McGowan Properties L.P., for and in consideration of \$80,944 to be funded from the Electric Division included in the 2006 Budget; and further,

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

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

A 5-foot wide MLGW utility easement recorded under Instrument Number CB-2887 which is adjacent to and along the southwesterly line of Lot 343 and a 5-foot wide MLGW utility easement recorded under Instrument Number CB-2887 which is adjacent to and along the northwesterly line of Lot 344, Final Plan, Phase 12, Harbor Town P.D. Subdivision as recorded in Plat Book 216, Page 3 in the Register's Office of Shelby County, Tennessee to Island Properties Associates, or their successor in title, for the sum of \$1.00.

Property located at the northeast and southeast corners of Harbor Town Square and Harbor Town Circle.

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

THAT, Release of said easement 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 deed be executed releasing said easement to the current property owner for a consideration of \$1.00.

29. The Vice President, Engineering presented for approval of the Board W.R. No. C2H98286, in the amount of \$58,000 for a new security gate at the Choctaw facility.

Funds will be taken from 2006 Budget Line Item (29-5) NSC Gate No. 2 for Choctaw Gate Structures and Improvements – Account No. 2101-3900.

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

THAT, W. R. No. C2H98286 in the amount of \$58,000, as outlined in the foregoing preamble, is approved.

30. The Secretary-Treasurer stated that the Pension Board had approved an amendment to the Memphis Light, Gas and Water Division Retirement and Pension System, as amended and restated effective January 1, 2001.

The amendment is to Article III - Section 3.2 – Contributions by the Division (a) Amount.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, the Memphis Light, Gas and Water Division Retirement and Pension System is hereby amended as follows:

ARTICLE III, Section 3.2 *Contributions by the Division*, subparagraph (a) *Amount*, shall be amended by deleting the current said Section 3.2(a) in its entirety, and substituting in place thereof the following Section 3.2(a):

3.2 Contributions by the Division.

(a) Amount. The Division shall contribute to the Fund such amounts as from time to time are estimated by the Actuary to be sufficient, on an actuarially sound basis, after taking into account Participant Contributions and earnings thereon, to provide Accrued Benefits under the Plan. Such Contributions shall be obligations of the Division, and the Board of Commissioners shall appropriate annually such amounts as are necessary to make such payments. Effective January 1, 2001, and until further determination by the Board of Commissioners with approval by the City Council, the Division's contribution shall be equal to 8% of the total Compensation, as defined under the Plan, of all active Participants. Notwithstanding anything in the foregoing to the contrary, for the 2006 Plan Year, as defined in Section 1.51 hereof, but solely for said 2006 Plan Year, the Division's contribution shall be 13.35% of total Compensation (which as of the January 1, 2006 actuary report is \$19,511,638). Division contributions shall be determined and paid to the Fund as soon as practicable following each payroll period.

31. Mr. Dick Gardiner, 1734 Gosnold Bluff Road, Collierville, TN appeared before the Board to discuss various matters.

32. Mr. Rick Thompson, Business Manager, IBEW Local 1288, appeared before the Board to discuss various matters.

33. Ms. Susan Carter, 5329 Laurie Lane, appeared before the Board to discuss various matters.

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

SEE MINUTE FILE NO. 1281.

Secretary-Treasurer