

MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
May 5, 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, May 5, 2005 at 1:30 p.m. The following were in attendance: L. R. Jalenak, Chairman; Rick Masson, Vice Chairman; James L. Russell, Commissioner; V. Lynn Evans, Commissioner; Nick Clark, Commissioner; Joseph Lee, III, President and CEO; 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. Due to the absence of John McCullough, Jim Reeves was Acting Secretary.

Vice Chairman Masson moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held April 21, 2005, that they be recorded as the official record, seconded by Commissioner Clark and unanimously carried.

Wade Stinson, Vice President, Construction and Maintenance, made a presentation to the Board regarding the APPA Lineworkers' Rodeo.

The Acting Secretary acknowledged receipt of certified copies of City Council Resolutions dated April 19, 2005, Item Nos. 19, 21 through 23, and 25, approving items approved by the MLGW Board at meeting held April 7, 2005. (See Minute File No. 1268.)

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of an Expedited Procurement Request for Change No. 6 to Contract No. 10550, Armored Car Services, with Loomis Fargo to change the scope to add funds to the contract value in the funded amount of \$22,500.

The expedited procurement request requires immediate action in order to allow the addition of funds to the contract value and make payments. The request will

allow the continuation of picking up and transporting funds from various community offices to the banking facility. The new contract amount is \$155,925.63.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Change No. 6 to Contract No. 10550 with Loomis Fargo in the funded amount of \$22,500 as outlined in the foregoing preamble is approved; and further,

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

2. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 2 to Contract No. 10640, Legacy Extension Technology, with Clientsoft, Inc. to change the scope to assign the contract to Neon Systems, Inc.

The project scope has changed to assign the contract to Neon Systems, Inc. due to their acquisition of Clientsoft, Inc. Neon Systems, Inc. agrees to observe and perform all of the terms and conditions contained in the Clientsoft, Inc./MLGW contract. The new contract amount is \$414,683.50.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Change No. 2 to Contract No. 10640 with Neon Systems, Inc. as outlined in the foregoing preamble is approved; and further,

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

3. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 2 to Contract No. 10783, Emergency Aid Agreement, with Dillard Smith Construction Company, Inc. to renew the agreement for emergency aid restoration of electric services in the event of a catastrophic disaster to MLGW's electrical system.

The term of the contract has been amended to renew annually. Dillard Smith is to submit revised labor and equipment rates on the anniversary date of

November 30. Prior approval of any disbursements of funds under this contract shall be approved by the Board of Light, Gas and Water Commissioners.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting “yes”. Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Change No. 2 to Contract No. 10783 with Dillard Smith Construction Company, Inc. as outlined in the foregoing preamble is approved; and further,

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

4. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 4 to Contract No. 10803, Data Processing Equipment Maintenance, with Mid-South Computer Services in an estimated funded amount of \$99,800, based on unit price adjustment.

The project scope is to renew the contract for maintenance support retroactive to January 1, 2005 to December 31, 2005, the actual beginning date of the third term. Prices will increase by 3% across the board on all units and the hourly rate will increase from \$70 to \$75 per hour. The new contract value is \$639,159.08.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting “yes”. Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 4 to Contract No. 10803 with Mid-South Computer Services in an estimated funded amount of \$99,800 as outlined in the foregoing preamble is approved; and further,

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

5. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Expedited Procurement Request for Change No. 2 to Contract No. 10824, CIS Support II, with MAK Consulting, Inc. to renew the contract for a second term, February 1, 2005 to January 31, 2006.

The expedited procurement request is necessary to support critical portions of the CIS billing and delinquency processes which will make modifications to

programs and processes, and to renew the contract for a second term, February 1, 2005 to January 31, 2006. This renewal includes no increase in rates or in the contract amount. The contract amount is \$9,726,929.73.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Change No. 2 to Contract No. 10824 with MAK Consulting, Inc. 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. 2 to Contract No. 10924, Professional Investigating Services, with CDA, Inc. in the increased funded amount of \$12,295.30.

The project scope has changed to incorporate one additional investigator to the current contract term with a new vehicle beginning June 13, 2005 until August 1, 2005. The number of investigators will change from the present three to four due to additional work load. The new contract amount is \$389,282.98.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Change No. 2 to Contract No. 10924 with CDA, Inc. in the funded amount of \$12,295.30 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. 1 to Contract No. 10977, Tires and Tire Service, with Southern Tire Mart, LLC in an estimated funded amount of \$538,329.53 which is based on unit volume of work.

The project scope is to renew the contract for the first term beginning June 12, 2005 to June 11, 2006. The estimated funded amount as mentioned above represents an overall increase of less than 3%. The new contract value is \$1,063,200.82.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 10977 with Southern Tire Mart, LLC in an estimated funded amount of \$538,329.53 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 approval of Change No. 1 to Contract No. 10987, Helicopter Herbicide Spraying, with Helicopter Applicators, Inc. in an estimated funded amount of \$206,955.

The project scope is changed by increasing the quantity of acres for providing helicopter and/or ground herbicide spraying services for MLGW transmission lines for approximately 1,400 acres. The new contract value is \$221,737.50.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 10987 with Helicopter Applicators, Inc. in an estimated funded amount of \$206,955 as outlined in the foregoing preamble is approved; and further,

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

9. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 1 to Contract No. 10999, GPS Cellular Services, with Nextel Communications to renew the contract for the first term for the period April 1, 2005 to April 1, 2006 in the funded amount of \$51,470.

The project scope is to cover costs associated with GPS cellular services utilized in conjunction with Contract No. 10978, Global Positioning System. This renewal includes no increase in the current rates and the addition of 20 hand-held GPS monitoring devices and fees. The contract amount is \$86,540.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 10999 with Nextel Communications as outlined in the foregoing preamble is approved; and further,

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

10. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 1 to Contract No. 11001, Janitorial Services, with Kimco Corporation in the funded amount of \$48,247.07.

The project scope has changed to add funds to the contract value. This request is necessary due to insurance not being approved under new Contract No. 11020, Janitorial Services, and work being extended from December 31, 2004 until February 6, 2005. The new contract amount is \$259,431.11.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 11001 with Kimco Corporation in the funded amount of \$48,247.07 as outlined in the foregoing preamble is approved; and further,

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

11. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 1 to Contract No. 11002, Janitorial Services, with Kimco Corporation in the funded amount of \$15,033.31.

The project scope has changed to add funds to the contract value. This request is necessary due to insurance not being approved under new Contract No. 11020, Janitorial Services, and work being extended from December 31, 2004 until February 6, 2005. The new contract amount is \$130,034.91.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting “yes”. Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Change No. 1 to Contract No. 11002 with Kimco Corporation in the funded amount of \$15,033.31 as outlined in the foregoing preamble is approved; and further,

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

12. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 3 to Contract No. 11011, North Service Center Roofing Projects, with B Four Plied, Inc. in the funded amount of \$41,161.

The project scope has changed to allow B Four Plied to perform emergency roof repairs at Mallory Pumping Station to prevent slipping on oil and water pools as a result of leaks around the perimeter of the interior. Rain water is leaking onto the elevated crane track resulting in oil and grease spills on the floor which caused injury to MLGW personnel as a result of slipping. The new contract value is \$253,675.64.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting “yes”. Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 3 to Contract No. 11011 with B Four Plied, Inc. in the funded amount of \$41,161 as outlined in the foregoing preamble is approved; and further,

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

13. The Manager, Procurement and Contracts presented to the Board of Light, Gas and Water Commissioners a resolution to rescind the award of contract for one full

size pickup truck to Chuck Hutton Company in the amount of \$25,277.93 approved by the Board on March 17, 2005.

This request on behalf of Procurement and Contracts is being made due to Chuck Hutton Company not having SPA certification to sell the bi-fuel gasoline/LNG system. It is recommended that the award be made to General Truck Sales and Service, Inc.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Award of contract to Chuck Hutton Company for one full size pickup truck is rescinded; and further,

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to General Truck Sales and Services, Inc. is approved for furnishing:

1 – Chevrolet Silverado 2500 HD, 2006 Model, full size pickup truck with long wheelbase and bi-fuel gasoline/LNG system, all in accordance with MLGW Specification No. TPU-05-0077, at \$25,277.43 each

totaling \$25,277.43; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; with delivery within 60-120 days.

14. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for disk storage hardware to replace existing HP XP256 disk array which is outdated and has aging technology. Newer disk technology will provide a performance boost to the Customer Information System application. This equipment provides all the disk storage currently used by our Customer Information System and the Advantex Mobile Dispatch system.

Bids were opened on April 20, 2005, with the lowest and best complying bidder of four bidders being Carotek, Inc. in the amount of \$290,240.36.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

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

Hewlett-Packard disk array hardware, software and services, in accordance with MLGW specifications dated February, 2005, at \$290,240.36

totaling \$290,240.36; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery within 10 days.

15. The Manager, Procurement and Contracts submitted for consideration of the Board analysis of bids received up to 4:00 p.m., Tuesday, April 12, 2005 for furnishing the Division with remote terminal units.

The Board was advised that of the two bids received, one does not meet specifications and the other exceeds MLGW's requirements in such a manner to exceed funds budgeted for the equipment. It is, therefore, recommended that bids received be rejected, with MLGW's specifications to be rewritten and the equipment to be re-bid at a later date.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, All bids received for furnishing the Division with remote terminal units are rejected.

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

Bids were opened on April 22, 2005, with the lowest and best complying bidder of three bidders being Scruggs Equipment Company, Inc. in the amount of \$44,994.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

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

3 – Latest model combination under deck P.T.O. driven rotary screw air compressors and generators installed on Division truck chassis, all in accordance with MLGW Specification No. TUAG-04-0330

totaling \$44,994; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; deliver in 3-4 weeks.

17. The Manager, Procurement and Contracts advised the Board of Light, Gas and Water Commissioners that on March 17, 2005 Covington Pike Dodge was awarded contract for furnishing three mid-size sedans. We have now been advised that Covington Pike Dodge has been sold to Gossett Motor Cars, and Gossett Motor Cars will honor the current contract. It is the request of the Manager, Procurement and Contracts that the Board approve amending this order to be awarded to Gossett Motor Cars. All other terms and conditions will remain the same.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting “yes”. Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Award of contract to Covington Pike Dodge for three mid-size sedans is amended and awarded to Gossett Motor Cars.

18. **WHEREAS**, Section 1.58(f) of the MEMPHIS LIGHT, GAS AND WATER DIVISION RETIREMENT AND PENSION SYSTEM (the “MLGW Retirement and Pension System”) permits employees who are transferred from employment with the City of Memphis to employment with MEMPHIS LIGHT, GAS AND WATER DIVISION (“MLGW”) (but not employees who voluntarily terminate employment with the City of Memphis and are subsequently employed by MLGW) to receive credit in the MLGW Retirement and Pension System for years of service with the City provided that the MLGW Retirement and Pension System receives payment of an amount sufficient to fund the cost of such grant of service; and

WHEREAS, Joseph Lee, III has been duly transferred from employment with the City of Memphis to employment with MLGW effective July 1, 2004 and thus qualifies for such credit in the MLGW Retirement and Pension System for his years of service with the City of Memphis from April 15, 1993 to June 30, 2004 (the “Years of Service”)

provided the MLGW Retirement and Pension System receives payment of an amount sufficient to fund the cost of such grant of service; and

WHEREAS, the MLGW Retirement and Pension System has obtained from its actuary a calculation of an amount sufficient to fund the cost of such grant of service, being Two Hundred Thirteen Thousand One Hundred Fifty Four and no/100ths Dollars (\$213,154.00); and

WHEREAS, the MLGW Retirement and Pension System has informed the City of Memphis Retirement and Pension System of the amount calculated by the MLGW Retirement and Pension System actuary sufficient to fund the cost of such grant of service in the MLGW Retirement and Pension System; and

WHEREAS, the MLGW Retirement and Pension System has received from the City of Memphis payment in the amount of One Hundred Forty Five Thousand Eight Hundred Eighteen and 35/100ths Dollars (\$145,818.35), being the contributions by Joseph Lee, III to the City of Memphis Pension System with a multiple, as provided under the governing plan document of the City of Memphis Pension System, based on his Years of Service with the City of Memphis; and

WHEREAS, the City of Memphis Retirement and Pension System has not agreed to transfer any other sums to the MLGW Retirement and Pension System to fund the grant of Joseph Lee's Years of Service with the City in the MLGW Retirement and Pension System; and

WHEREAS, Joseph Lee, III has tendered to the MLGW Retirement and Pension System the additional sum of Sixty Seven Thousand Three Hundred Thirty Six and no/100ths Dollars (\$67,336.00) as needed to fund the remaining cost of the grant in the MLGW Retirement and Pension System for Joseph Lee's Years of Service with the City of Memphis, as calculated by the actuary for the MLGW Retirement and Pension System; and

WHEREAS, the MLGW Retirement and Pension System provides that subject to the provisions of the Plan document the Board of Commissioners may determine specific terms and conditions of a grant of prior service with the City of

Memphis, which determination shall be reflected on an exhibit to the Plan or otherwise recorded in the records of the Pension Board; and

WHEREAS, the Board of Commissioners desires to accept from the City of Memphis as partial payment of the amount sufficient to fund the grant of prior Years of Service the One Hundred Forty Five Thousand Eight Hundred Eighteen and 35/100ths Dollars (\$145,818.35) payment tendered to the MLGW Retirement and Pension System in connection with the transfer of employment of Joseph Lee, III from the City of Memphis to MLGW and the grant in the MLGW Retirement and Pension System of Joseph Lee's Years of Service with the City of Memphis; and

WHEREAS, the Board of Commissioners desires to accept from Joseph Lee, III the sum of Sixty Seven Thousand Three Hundred Thirty Six and no/100ths Dollars (\$67,336.00) as needed to fund the remaining cost of the grant in the MLGW Retirement and Pension System for Joseph Lee's Years of Service with the City of Memphis, as calculated by the MLGW Retirement and Pension System actuary; and

WHEREAS, the Board of Commissioners directs that this Resolution be reflected on an exhibit to the Plan or otherwise recorded in the records of the Pension Board;

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, As an employee transferred from the payroll of the City of Memphis to the payroll of MLGW, Joseph Lee, III be entitled to the grant in the MLGW Retirement and Pension System of his Years of Service with the City of Memphis, upon receipt by the MLGW Retirement and Pension System of an amount sufficient to fund the cost of such grant of service.

THAT, The MLGW Retirement and Pension System shall accept and deposit the payment received from the City of Memphis in the amount of One Hundred Forty Five Thousand Eight Hundred Eighteen and 35/100ths Dollars (\$145,818.35) to fund a part of the cost of such grant of service, as calculated by the actuary as sufficient to fund the cost of such grant of service.

THAT, The MLGW Retirement and Pension System shall accept and deposit the payment received from Joseph Lee, III in the amount of Sixty Seven Thousand Three Hundred Thirty Six and no/100ths Dollars (\$67,336.00) to fund the remaining part of the cost of such grant of

service, as calculated by the actuary as sufficient to fund the cost of such grant of service.

THAT, Upon receipt and deposit of the amounts above by the MLGW Retirement and Pension System, Joseph Lee, III shall receive credit in the MLGW Retirement and Pension System for his Years of Service with the City.

THAT, The Chairman of the Board of Commissioners or Chief Financial Officer of MLGW shall execute such documents and take such actions as may be necessary to carry out the purposes of this Resolution on behalf of MLGW.

THAT, The Chairman of the Pension Board or such other member of the Pension Board as authorized by the Pension Board to execute documents on behalf of the Pension Board shall execute such documents and take such actions as may be necessary to carry out the purposes of this Resolution on behalf of the Pension Board and the MLGW Retirement and Pension System.

THAT, This Resolution be reflected on an exhibit to the Plan or otherwise recorded in the records of the Pension Board.

19. The Vice President, Engineering recommended to the Board of Light, Gas and Water Commissioners, in order to honor and recognize an outstanding Memphis Light, Gas and Water Manager for his contribution and leadership, they approve naming the new pumping station located on Chambers Chapel Road as follows:

Charles H. Pickel Pumping Station

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, The new pumping station located on Chambers Chapel Road is named Charles H. Pickel Pumping Station; and further,

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

20. The Manager, Hickory Hill Service Center submitted for consideration of the Board a recommendation to change Section 1.3.6 of the Electric Service Policy 2005 to read as set out in the attached addendum. (See Minute File No. 1269.)

The Committee recommends these changes become effective May 5, 2005, and approved in the minutes of the May 5, 2005 meeting.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Section 1.3.6 of the Electric Service Policy is hereby changed as previously stated.

(The motion to add this item to the agenda carried by a four to one vote, with Commissioner Evans opposing.)

(See Item No. 33 for statement of Commissioner Clark regarding this item.)

21. The Manager, Hickory Hill Service Center submitted for consideration of the Board a recommendation to change Sections 103.2.4 and 103.5.2 of the Gas Service Policy 2005 to read as set out in the attached addendum. (See Minute File No. 1269.)

The Committee recommends these changes become effective May 5, 2005, and approved in the minutes of the May 5, 2005 meeting.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Sections 103.2.4 and 103.5.2 of the Gas Service Policy is hereby changed as previously stated.

(The motion to add this item to the agenda carried by a four to one vote, with Commissioner Evans opposing.)

(See Item No. 33 for statement of Commissioner Clark regarding this item.)

22. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Emergency Procurement Request for Contract No. 11047, Highway 70 to Lamb Road to Memphis-Arlington Road Water Main Extension, to Mills and Sons, Inc. in the funded amount not to exceed \$207,625.37, to complete the work it was performing as a subcontractor under Contract No. 10784 with A & L Underground, Inc.

The project scope includes the completion of Work Request No. W9G63506, otherwise known as Highway 70 to Lamb Road to Memphis-Arlington Road

Water Main Extension in the amount of \$207,625.37. This emergency award is necessary to complete this work to maintain fire protection and to meet summer water demand with an in-service deadline of June 1, 2005. The contractor was performing this work as a subcontractor under Contract No. 10784, Underground Distribution Construction, which has not been renewed or extended.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, Award of Contract No. 11047 to Mills and Sons, Inc. in the not to exceed amount of \$207,625.37 as outlined in the foregoing preamble is approved and will be sent to the Council of the City of Memphis for ratification; and further,

THAT, The President or his designated representative is authorized to execute the award and sign such documents as are necessary to implement this resolution.

(The minutes of this item were approved in today's meeting.)

23. The Acting Secretary stated that the Pension Board through its Investment Committee had approved and was recommending to the Board of Commissioners termination of investment contract with Highland Capital Management Corp., and the portfolio totaling approximately \$60 million be liquidated.

He also stated that the Pension Board through its Investment Committee had approved and was recommending to the Board of Commissioners the transfer of approximately \$12.5 million to Seix Investment Advisors, Inc., the transfer of approximately \$12.5 million to WestLB Asset Management, and the balance of approximately \$35 million invested in S & P I-Shares.

It was moved by Commissioner Clark, seconded by Commissioner Russell and carried with Commissioners Russell, Evans and Clark voting "yes". Chairman Jalenak and Vice Chairman Masson were excluded from the roll call and did not vote:

THAT, The Secretary-Treasurer is authorized to notify Highland Capital Management Corp. of contract termination and the portfolio totaling approximately \$60 million be liquidated; and further,

THAT, The Secretary-Treasurer is authorized to make arrangements for the transfer of funds from Highland Capital Management Corp. to the investment managers as outlined in the foregoing preamble.

(Chairman Jalenak and Vice Chairman Masson recused themselves on Item No. 23.)

24. J. D. Cox addressed the Board regarding Item Nos. 20 and 21.

25. Marcia Mason addressed the Board regarding layoffs, and later in the meeting, Article VII of the Memorandum of Understanding.

26. Terry Dan, 8620 Trinity Road, addressed the Board regarding the Gas and Electric Service Policy.

27. Ronald Belz, 100 Peabody Place, Suite 1400, addressed the Board regarding Gas and Electric Installation Policy.

28. Rick Thompson addressed the Board regarding Item Nos. 20 and 21, and later in the meeting, Article XVIII of the Memorandum of Understanding and the grievance process.

29. Bill Hawkins addressed the Board regarding Item Nos. 20 and 21 and Article XVIII of the Memorandum of Understanding.

30. Joseph Lee, III addressed the Board regarding Item Nos. 20 and 21.

31. Wade Stinson addressed the Board regarding Item Nos. 20 and 21.

32. Commissioner Evans stated that on behalf of those Commissioners who reviewed the files of terminated employees Rickey Rogers and Jarvis Price, the decisions made by MLGW management regarding termination of these employees will be upheld by the Board.

33. Commissioner Clark made the following statement regarding Item Nos. 20 and 21:

I move that the Board approves Staff's recommendations to change Sections 103.2.4 and 103.5.2 of the Gas Service Policy 2005 and Sections 1.3.6 of the Electric Service Policy 2005, which give developers the option to install electric and gas service facilities. This policy shall only apply to those projects where MLGW or its contractors have not begun any utility construction work as of May 5, 2005. It is the intent of the Board in approving these policy changes that MLGW's union and management continue to work together to remain a competitive provider of gas and

electric facilities to developers and that there be no layoffs to MLGW's current workforce as a result of these changes.

I also move that the Board approve this item in the minutes of today's meeting. (See Minute File No. 1269 for typed statement.)

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

COMPLETE DISCUSSION IS ON TAPE IN MINUTE FILE NO. 1269.