

MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
July 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, July 21, 2005 at 1:30 p.m. The following were in attendance: Rick Masson, Chairman; V. Lynn Evans, Vice Chairman; James L. Russell, Commissioner; Nick Clark, Commissioner; William L. Taylor, Commissioner; Joseph Lee, III, President and CEO; Max Williams, Vice President and General Counsel; Rob Hunter, Interim Vice President, Construction and Maintenance; Alonzo Weaver, Vice President, Customer Operations; Marcia Mason; Interim Vice President, Human Resources; and Linda Peppers, Vice President and Chief Technology Officer. Due to the absence of John McCullough, Jim Reeves was Acting Secretary.

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

The Acting Secretary acknowledged receipt of certified copies of City Council resolutions dated July 5, 2005, Item Nos. 8 through 15, approving items approved by the MLGW Board at meeting held June 16, 2005. (See Minute File No. 1270.)

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11048, Boiler Upgrade, to Barnes & Brower, Inc. in the funded amount of \$148,557.

The project scope is to replace boiler no. 2 which provides heat to the building, to replace two domestic water boilers and to provide a new combustion air system for Building No. 8 at the North Service Center.

Bids were opened on June 22, 2005, with the lowest and best bidder of two bidders being Barnes & Brower, Inc.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of Contract No. 11048 to Barnes & Brower, Inc. in the funded amount of \$148,557 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. 10636, Multi-Channel Digital Voice Recording Server, with Rhodes Lauck & Associates to add a redundant Digital Voice Recorder (DVR) and Agent Evaluation/Monitoring (AEM) application, including maintenance for the Customer Care Center (CCC) in the funded amount of \$164,750.

The project scope has changed to allow Rhodes Lauck & Associates to furnish and install a Mercom Ultra 240 port and associated AEM software. The DVR will allow the CCC to have redundancy on customer calls, improve maximum up-time and increase the number of agent calls being recorded. The AEM will allow the CCC to evaluate and monitor customer calls randomly to improve customer support and improve productivity in tracking customer calls. It is further requested that staff be allowed to purchase yearly hardware and software support provided the cost does not exceed 10% over the prior year's cost. The first year's cost included in the price is \$10,500. The new contract amount is \$514,283.79.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 10 to Contract No. 10636 with Rhodes Lauck & Associates in the funded amount of \$164,750 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. 3 to Contract No. 10783,

Emergency Aid Agreement, with Dillard Smith Construction Company to approve the reimbursement of mobilization costs which includes labor, equipment, meals, lodging and transportation charges as a result of Distribution Support's request for emergency aid in the anticipation of the April 29, 2005 forecasted storm in the funded amount of \$99,084.47.

MLGW requested that Dillard Smith Construction Company mobilize and stage in the Memphis area to provide emergency restoration work to our electric system due to the forecasted storm of April 29, 2005, in accordance with the pre-existing Emergency Aid Agreement. The new contract value is \$1,972,871.60.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 3 to Contract No. 10783 with Dillard Smith Construction Company in the funded amount of \$99,084.47 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. 7 to Contract No. 10839, Temporary Personnel Services, with Omnipro Staffing and Consultants/neMarc Professional Services, Inc.

This change renews the contract at the standard rates for the third term, June 4, 2005 to June 4, 2006, with no increase to the existing standard labor rates, and to retain the current level of temporary personnel services for one year. The contract value is \$2,350,000.

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

THAT, Change No. 7 to Contract No. 10839 with Omnipro Staffing and Consultants/neMarc Professional Services, Inc. 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 Change No. 6 to Contract No. 10840, Temporary Personnel Services, with Kelly Services, Inc. in an estimated funded amount of \$1,875,000.

This change renews the contract for the third term, June 4, 2005 to June 4, 2006, and to retain the current level of temporary personnel services for one year. This renews the contract with rate adjustments to the standard and payrolling labor rates. The new contract value is \$6,250,000.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 6 to Contract No. 10840 with Kelly Services, 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. 7 to Contract No. 10841, Temporary Personnel Services, with Manpower, Inc.

This change renews the contract at the standard rates for the third term, June 4, 2005 to June 4, 2006, with no increase to the existing standard labor rates, and to retain the current level of temporary personnel services for one year. The contract value is \$4,100,000.

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

THAT, Change No. 7 to Contract No. 10841 with Manpower, Inc. 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. 11013, Line Clearance, with Blume Tree Services with no new funding required.

The project scope has changed to add new equipment and rates to the contract for work that may be required in the near future to allow for greater efficiency. The new equipment is a Bobcat with Timber Axe (\$25/hour), Dozer (\$45/hour), 20-yard Dump (\$8/hour), Disc Tree Chipper (\$7.95/hour), and rental equipment (cost plus 10%). The contract amount will remain \$32,209,815.

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

THAT, Change No. 1 to Contract No. 11013 with Blume Tree Services with no new funding required 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. 11043, SYMON Target Vision License Agreement, with SYMON Communications, Inc. in the funded amount of \$84,783.10.

The project scope has changed to allow SYMON Communications to provide a complete upgrade to the Target Vision Communication System by providing 28 Basic SYMON Digital SDA-530 appliances with TV-tuner interfaces at designated MLGW facilities that will allow media broadcasts from one source. It is further requested that staff be allowed to purchase yearly hardware and software maintenance provided the cost does not exceed 10% over the prior year's cost. The first year's maintenance cost from January 1, 2006 through December 31, 2006 is \$25,800. The new contract amount is \$99,964.76.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 11043 with SYMON Communications, Inc. in the amount of \$84,783.10 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 award of contract for furnishing network transformers and protectors which are used by network crews for new installations or maintenance on the MLGW electric system.

Bids were opened on June 15, 2005, with the lowest and best complying bidders of four bidders being Utilicor for two items, Carte International for one item, and Richards Manufacturing for two items. The total for all items is \$296,418.

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

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

2 – Distribution transformers, 1000 KVA oil-immersed self-cooled, subway-type, submersible, three-phase 60-cycle, with 13,200 volt delta primary 5% impedance, 480 WYE/277 volt secondary, to be furnished in full accordance with MLGW Specification No. 47-80XX dated October 7, 2003; replaces obsolete Class and Item No. 47-8035, at \$31,464 each

2 – Distribution transformers, 1500 KVA oil-immersed self-cooled, subway-type, submersible, three-phase 60-cycle, with 13,200 volt delta primary 7% impedance, 480 WYE/277 volt secondary, to be furnished in full accordance with MLGW Specification No. 47-80XX, dated October 7, 2003, at \$37,718 each

totaling \$138,364, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery in 14 weeks after receipt of order; and further,

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Carte International is approved for furnishing the Division with:

1 – Distribution transformer, 1500 KVA oil-immersed self-cooled, subway-type, submersible, three-phase 60-cycle, with 22,900 volt delta primary 7% impedance, 480 WYE/277 volt secondary, to be furnished in full accordance with MLGW Specification No. 47-80XX dated October 7, 2005

totaling \$38,467, f.o.b. Memphis, Tennessee, transportation prepaid; said price being firm; delivery in 16 weeks after receipt of order; and further,

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Richards Manufacturing is approved for furnishing the Division with:

2 – Network protectors, 1600 AMP, 480 WYE/277 volt, submersible-type, automatic low-voltage, to fit a 1000 KV, 13,200 volt delta primary 5% impedance, 480 WYE/277 volt secondary, subway network transformers.

The protector shall be manufactured in full accordance with MLGW Specification No. 47-90XX dated August 5, 1999, at \$19,325 each

3 – Network protectors, 2500 AMP, 480 WYE/277 volt, submersible-type, automatic low-voltage, to fit 1,500 KV, 13,200 volt delta primary 7% impedance, 480 WYE/277 volt secondary, subway network transformers. The protector shall be manufactured in full accordance with MLGW Specification No. 47-90XX dated August 5, 1999, at \$26,979 each

totaling \$119,587, f.o.b. Memphis, Tennessee, transportation prepaid; said price being firm; delivery in 6-8 weeks after receipt of order.

The total of all awards is \$296,418.

10. The Vice President, Engineering presented for approval of the Board Amendments 1, 2 and 3 to the Agreement between City of Piperton and MLGW dated February 18, 2005, which extended the deadline for Piperton to acquire the necessary right-of-way from May 1, 2005 to October 1, 2005 and increases the amount of MLGW's land acquisition costs from \$250,000 to \$500,000.

The additional funding is within the approved Budget for the project which has been approved by the Board and City Council.

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

THAT, Amendments 1, 2 and 3 to the Agreement between City of Piperton and MLGW dated February 18, 2005 as outlined in the foregoing preamble are approved.

11. The General Counsel submitted to the Board the June 30, 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 Vice Chairman Evans, seconded by Commissioner Russell and unanimously carried:

THAT, The attached June 30, 2005 Quarterly Report of the Customer Advocate Committee is approved and the decisions reflected therein are upheld by the Board. (See Minute File No. 1271.)

12. The Vice President, Engineering submitted for consideration of the Board W.R. Nos. C3H34673, C3H34700, C3H34701 and C3H34708, to transfer capital funds in the amounts of \$108,000; \$78,000; \$63,000; and \$90,000, totaling \$339,000, for the

replacement of aerator media at the Shaw, McCord, Morton and Sheahan Water Pumping Stations to improve the water treatment process at these locations.

Funds in the amount of \$339,000 will be taken from the 2005 Budget, Item No. 40-3 - Design Seismic Plant Retrofit - Sheahan Pumping Station.

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

THAT, W.R. Nos. C3H34673, C3H34700, C3H34701 and C3H34708 in the total amount of \$339,000 as outlined in the foregoing preamble are approved.

13. The Vice President, Engineering submitted for consideration of the Board W. R. No. C1H35126 in the amount of \$90,000, for installation of fiber-optic cable from Substation No. 43 to Substation No. 8. This will provide secure SCADA communications for McCord Pumping Station, Mallory Pumping Station and Substation No. 8. This will also provide high-resolution video surveillance of McCord and Mallory Pumping Stations and reinforce the system operations.

Funds will be taken from Line 22-8 in the amount of \$40,000 and Line 22-15 in the amount of \$50,000 of the 2005 Budget – Communication Equipment – Account No. 11013970.

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

THAT, W. R. No. C1H35126 in the amount of \$90,000 as outlined in the foregoing preamble is approved.

14. The Manager, Electric Engineering submitted for consideration of the Board W. R. No. C1H36630 in the amount of \$570,000, for the coordination/interface to Crompton Customer Substation No. 94.

Funds will come from Line 6 of the 2005 Capital Budget.

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

THAT, W. R. No. C1H36630 in the amount of \$570,000 is approved for the coordination/interface to Crompton Customer Substation No. 94.

15. The Manager, Electric Engineering presented for consideration of the Board approval to acquire easement rights for a 225-foot-wide transmission line from William Phillip Percer (deceased) and wife Dana Percer for a proposed transmission line circuit, said property being shown on the attached sketch and more particularly described as follows:

This easement is across a tract of land conveyed to William Phillip Percer (deceased) and wife Dana Percer by deed of record as described in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Book 5846, Page 124, Tract 1 and being the same property as shown on the attached plat prepared by Ollar Surveying Company and dated March 28, 2005, and made a part hereof. (See Minute File No. 1271.)

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 Memphis Light, Gas and Water Division 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 Memphis Light, Gas and Water Division. Grantor of this easement further agrees to allow Memphis Light, Gas and Water Division to remove any fences that would interfere with the operation of construction equipment within said easement. In the event fences are removed, Memphis Light, Gas and Water Division 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. Memphis Light, Gas and Water Division 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 is located on the southside of Millington-Arlington Road, approximately 528.10 feet west of the center line of Brunswick Road, as measured along the south line of Millington-Arlington Road.

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

THAT, Purchase of the easement described in the above preamble for the sum of \$16,684 to be funded from the Electric Division included in the 2005 Budget is approved; and further,

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

16. The Manager, Electric Engineering presented for consideration of the Board approval to purchase the following described easement from Julia Ellen Armour-

Gordon for a proposed 225-foot-wide electric transmission line easement, said easement being shown on the attached sketch and more particularly described as follows:

This easement is across a tract of land conveyed to Julia Ellen Armour-Gordon by deed of record as described in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument No. JR-3352, and being the same property as shown on the attached plat prepared by Ollar Surveying Company and dated February 9, 2005, and made a part hereof. (See Minute File No. 1271.)

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 Memphis Light, Gas and Water Division 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 Memphis Light, Gas and Water Division. Grantor of this easement further agrees to allow Memphis Light, Gas and Water Division to remove any fences that would interfere with the operation of construction equipment within said easement. In the event fences are removed, the Memphis Light, Gas and Water Division 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. Memphis Light, Gas and Water Division 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 easterly side of Stewart Road, approximately 2,919.12 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 Russell and unanimously carried:

THAT, The Board of Light, Gas and Water Commissioners recommends to the Council of the City of Memphis, the purchase of easement described in the above preamble from Julia Ellen Armour-Gorden, for and in consideration of \$104,288 to be funded from the Electric Division included in the 2005 Budget; and further,

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

17. The Manager, Electric Engineering presented for consideration of the Board the purchase of the following described easement from Bryan Shelby Farms, L.P. for a proposed 225-foot-wide electric transmission line easement, said easement being shown on the attached sketch and more particularly described as follows:

This easement is across a portion of a tract of land conveyed to Bryan Shelby Farms, L.P. by deed of record as described in Register's Office of Shelby County, Tennessee in Register's Official Record Book under

Instrument No. JW-8497 being the same property as shown on the attached plat prepared by Ollar Surveying Company and dated February 15, 2005, and made a part hereof. (See Minute File No. 1271.)

Said easement is described in metes and bounds by Ollar Surveying Company as 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 Memphis Light, Gas and Water Division to cut down and remove from the above described easement. Any fencing within said easement must be approved by Memphis Light, Gas and Water Division. Grantor of this easement further agrees to allow Memphis Light, Gas and Water Division to remove any fences that would interfere with the operation of construction equipment within said easement. In the event fences are removed, the Memphis Light, Gas and Water Division 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. Memphis Light, Gas and Water Division 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 north side of Grattitude Church Road, approximately 1,085.6 feet north of the centerline of Pleasant Ridge Road, as measured along the centerline of Grattitude Church Road.

It was moved by Vice Chairman Evans, seconded by Commissioner Russell 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 Bryan Shelby Farms, LP, for and in consideration of \$120,184 to be funded from the Electric Division included in the 2005 Budget; and further,

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

18. The Manager, Electric Engineering presented for consideration of the Board release of the following utility easements:

PORTION of a 5-ft.-wide utility easement as recorded in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument No. KK-0490 across Lot 120, Devonshire Garden, P.D., as described under Instrument No. 05027530, to Markey Grandberry and wife Ellen Grandberry, or their successor in title, for the sum of \$1.00. Property is located on the west side of Devonshire Way, opposite Hampstead.

AN 8-ft.-wide utility easement as described in Book 4415, Page 17 across a tract of land as recorded in Plat Book 217, Page 10 as conveyed to Lamar South, LLC., or their successors in title, for the sum of \$1.00. Property is located on the southeast corner of Lamar Avenue and Shultz Road.

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

THAT, Release of 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 appropriate release deeds be executed releasing said easements to the current property owners for a consideration of \$1.00 each.

19. The Secretary-Treasurer advised the Board that the resolution approved by the Board July 7, 2005, listing those persons authorized to sign and/or countersign Division and Pension System checks should be amended.

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

THAT, Amendment No. 1 be approved as follows:

By **adding** Ira Carbage to the list of personnel authorized to **sign** Payroll Account checks (First TN – MLGW Payroll Account No. 00-0090263).

20. Commissioner Russell was appointed Chairman of the Human Resources Committee.

21. Chet A. Kibbler, Sr, MLGW retiree, 3229 Lakeview, addressed the Board regarding returning to work and the environment.

22. Minister Suhkara H. Yahweh, 796 Saxon Avenue, addressed the Board regarding the environment.

23. J. D. Cox, President, IBEW Local 1288, addressed the Board regarding Allied Electrical Contractors.

24. Steve Cohen, 349 Kenilworth, addressed the Board regarding Unison Corporation.

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

SEE MINUTE FILE NO. 1271.