

MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 5, 2006

A regular meeting of the Board of Light, Gas and Water Commissioners, City of Memphis, was held at Memphis Light, Gas & Water Division, 220 S. Main, Thursday, October 5, 2006 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; Joseph Lee, III, President and CEO; John McCullough, Vice President, CFO and Secretary-Treasurer; Odell Horton, Jr., Vice President and General Counsel; Alonzo Weaver, Vice President, Customer Operations; Christopher Bieber, Vice President, Engineering; Armstead Ward, Vice President, Human Resources; and Diana Veazey, Vice President, Construction and Maintenance. William L. Taylor, Commissioner, and Linda Peppers, Vice President and Chief Technology Officer, were not in attendance.

Commissioner Clark moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held September 21, 2006, that they be recorded as the official record, with the exception of Item No. 22, seconded by Commissioner Russell and unanimously carried.

The Secretary-Treasurer acknowledged receipt of certified copies of City Council Resolutions dated September 19, 2006, Item Nos. 12 through 19, approving items approved by the MLGW Board at its meeting held September 7, 2006. (See Minute File No. 1285).

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11136, Janitorial Services, in the funded amount of \$109,932.08.

The project scope is to provide basic janitorial services, including carpet shampooing, tile floor maintenance, and window washing.

Proposals were received on August 23, 2006 for Janitorial Services, Contract No. 11136, with the lowest and best bid of four being Facilities Maintenance Experts, Inc. (FME).

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. 11136 to Facilities Maintenance Experts, Inc. (FME), in the funded amount of \$109,932.08, as outlined in the foregoing preamble, is approved; and further,

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

2. By unanimous consent, Item No. 2, Award of Contract No. 11152, Photovoltaic System Design and Installation, to Arc Electric Company, Inc., in the funded amount of \$359,959, was deleted from the agenda.

3. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners, Change No. 3 to Contract No. 10905, Third Party Medical Plan Administrator, with Claims Management Services, Inc., to extend the current Contract for six months beginning November 1, 2006 to April 30, 2007, in an estimated funded amount of \$552,815.

The project scope is to extend the current contract on a month-to-month basis not to exceed six months beginning November 1, 2006 to April 30, 2007. This change is needed to allow sufficient time to select medical provider services for MLGW employees, retirees, and their dependents. The new contract amount is \$4,576,815.

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. 10905 with Claims Management Services, Inc, in the estimated funded amount of \$552,815, 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, Change No. 3 to Contract No. 10931, EcoBUILD Inspector, with Engineered Comfort, Inc., to renew the contract for a second term beginning October 20, 2006 to October 19, 2007 with an increase in the present rates but without any additional funding amount to contract.

The project scope is to cover the inspection and analysis of single- and multiple-family dwellings on new construction to verify builder's compliance with

MLGW's voluntary EcoBUILD standards for energy efficiency and environmental sustainability. This renewal reflects an increase in current rates for the purpose of cost of living adjustment. The current contract will remain in the amount of \$107,500.

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

THAT, Change No. 3 to Contract No. 10931 with Engineered Comfort, Inc., as outlined in the foregoing preamble, is approved; and further,

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

5. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners, Change No. 2 to Contract No. 10976, Line Clearance, with Bean & Prince Contractors, Inc., to extend the contract on a month to month basis not to exceed three months beginning on October 23, 2006, with no increase in the contract value.

The project scope has changed to extend the contract on a month to month basis not to exceed three months beginning on October 23, 2006. The extension is necessary to finalize renewal negotiations. The existing contract value is \$2,937,555.27.

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

THAT, Change No. 2 to Contract No. 10976 with Bean & Prince Contractors, Inc., with no increase in the contract value, 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, to approve Change No. 4 to Contract No. 11069, Mobile Document Shredding Service, with Shred-It, to extend the current Contract from November 1, 2006 until December 31, 2006 with an increase in an estimated funded amount of \$23,000.

The project scope is changed to extend the current Contract for two months to determine a new scope of work for the Contract to be bid in 2007. The new contract amount is \$97,999.98.

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

THAT, Change No. 4 to Contract No. 11069 with Shred-It, in an estimated funded amount of \$23,000, 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 President submitted for approval of the Board the following position numbers, per the attached documents (See Minute File No. 1286):

Position No. 00828, Electric Meter Field Technician
Position No. 04553, Systems Operator I
Position No. 05818, Utility Worker, Right-of-Way Grounds Maintenance

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

THAT, Position numbers 00828, 04553, and 05818, as listed in the foregoing preamble, are approved.

8. WHEREAS, the City of Memphis, for the use and benefit of Memphis, Light, Gas and Water Division, is the owner of a tract of land acquired for various uses by the Division, said tract of land being located on the northwest corner of Linden Avenue and Driver Street; and,

WHEREAS, the Memphis Light, Gas and Water Division has been offered by Self-Tucker, Properties, LLC, \$238,000 for the purchase of a surplus tract of land owned by Memphis Light, Gas and Water Division; and,

WHEREAS, the approved policy for sale of Division owned land permits the Board of Light, Gas and Water Commissioners to recommend to the Council of the City of Memphis a negotiated sale of land where in its opinion the land is situated such that a general interest in the purchase of the property could not conceivably be generated by the ad and bid procedure; and,

WHEREAS, the subject property falls into this category and is described as follows:

Being of the same property conveyed to City of Memphis, for the use and benefit of Memphis Light, Gas and Water Division, 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 03005166, and being shown on the attached sketch (See Minute File No. 1286) and described as follows:

Beginning at the intersection of the northeast line of Linden Avenue and the northwest line of Driver Street; thence northwestwardly along said northeast line a distance of 180.0 feet to the southeast corner of Parcel 2; thence northeastwardly along the line dividing Parcels 1 and 2 a distance of 200.0 feet to this southwest line of Driver Place; thence

southeastwardly along said southwest line a distance of 180.0 feet to the northwest line of Driver Street; thence southwestwardly along said northwest line a distance of 200.0 feet to the point of beginning containing approximately 0.826 acres.

Property located on the northwest corner of Linden Avenue and Driver Street.

It was moved by Vice Chairman Evans, seconded by Commissioner

Russell and unanimously carried:

THAT, The Board of Memphis Light, Gas and Water Commissioners recommends to the Council of the City of Memphis, the sale of property described in the above preamble to Self-Tucker Properties, LLC, for and in consideration of \$238,000; and further,

THAT, The President or his designated representative of the Division is hereby authorized to execute the sale of said property.

9. The Manager of Electric Engineering presented for consideration of the Board approval to the following described easement from Belz Investco, L.P., for a proposed gas transmission line easement, said easement being shown on the attached sketch (See Minute File No. 1286) and more particularly described as follows:

This easement is across a tract of land conveyed to Belz Investco, 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 AW-2470, and designated as Parcel 9, tract I and tract II, and being the same property as shown on the attached plat prepared by Ollar Surveying Company and dated July 21, 2006 and revised August 31, 2006 and made a part hereof.

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.

Property located on the north and south sides of Lakeview Road; approximately 1347.1 feet, more or less, north of the north line of Brooks 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 Belz Investco, L.P., for and in consideration of \$60,000 to be funded from the Gas 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.

10. President & CEO Joseph Lee, III read into the record a resolution in honor of Bishop William H. Graves:

WHEREAS, on September 30, 2006 Bishop William H. Graves was confirmed as the ninth member of the Tennessee Valley Authority Board of Directors after being recommended by Senate Majority Leader William Frist and Senator Lamar Alexander and nominated by President George W. Bush; and

WHEREAS, Bishop Graves is the first Memphian and first African-American nominated for a position on the Tennessee Valley Authority Board of Directors, and;

WHEREAS, Bishop Graves, born in Brownsville, Tennessee the son of sharecroppers, has been an active member of the Memphis and Shelby County communities for many years. He has served on numerous boards and commissions during his tenure in Memphis, Tennessee; and

WHEREAS, Bishop Graves was named in 1982 as the 42nd Bishop of the First District of the Christian Methodist Episcopal Church and currently serves as the Senior Bishop of the Christian Methodist Episcopal Church; and

WHEREAS, Bishop Graves was appointed by Mayor Willie W. Herenton and served on the Memphis Light, Gas and Water Division Board of Commissioners from September 1993 to July 2004; and Memphis Light, Gas and Water Division is the Tennessee Valley Authority's largest customer; and

WHEREAS, Bishop Graves has a profound appreciation for TVA's mission of service to the 8.6 million people in the valley and will use all his energies, strength and power to consider the challenges facing TVA and make sound and careful determinations; now

BE IT THEREFORE RESOLVED, the Memphis Light, Gas and Water Division's Board of Commissioners, its President and Chief Executive Officer and all its employees honor Bishop William H. Graves on this historic appointment to the Tennessee Valley Authority Board of Directors.

It was moved by Vice Chairman Evans, seconded by Commissioner Russell and unanimously approved that the Resolution be adopted. (See Minute File No. 1286.)

11. Ms. Sandra Kinsey, 7613 Dexter Hills, appeared before the Board to discuss insurance proposals.

12. Ms. Sherry DuBose, 384 S. Goodlett, appeared before the Board to discuss MLGW health insurance plan changes.

13. Mr. Dick Gardiner, 1754 Gosnold Bluff Rd., Collierville, Tennessee, appeared before the Board to discuss health insurance commitment in pension resolution.

14. Mr. Marvin Winston, 8596 Stablemill Lane, Cordova, Tennessee, appeared before the Board to discuss medical benefit provider and medical benefit trust.

15. Mr. Rick Thompson, 4000 Clearpool Circle, appeared before the Board to discuss United Health Care.

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

SEE MINUTE FILE NO. 1286.

Secretary-Treasurer