

MINUTES OF MEETING  
of  
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS  
CITY OF MEMPHIS  
held  
November 17, 2005

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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, November 17, 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; 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; and Linda Peppers; Vice President and Chief Technology Officer.

Vice Chairman Evans moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held November 3, 2005, 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 November 1, 2005, as follows: Item Nos. 4 and 5, approving items approved by the MLGW Board at meeting held October 6, 2005, and Item Nos. 7, 8, and 10 through 19, approving items approved by the MLGW Board at meeting held October 20, 2005. (See Minute File No. 1274.)

The Secretary-Treasurer updated the Board regarding MLGW items that are pending City Council approval. (See Minute File No. 1275.)

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of expenditure of funds to various Mutual Aid Agreement members in the amount of \$26,575.19.

The following companies provided emergency assistance to MLGW following the storm of August 30, 2005, and are due reimbursement in accordance with the pre-existing Mutual Aid Agreements:

Agreement No. C-1193  
West Memphis Utility Commission.....\$13,413.92

TVPPA Mutual Aid Agreement No. 1206  
McMinnville Electric System.....\$13,161.27

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

THAT, Payment to various Mutual Aid partners totaling \$26,575.19 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 approval of Change No. 4 to Contract No. 10783,  
Emergency Aid Agreement, with Dillard Smith Construction Company, covering  
reimbursement for labor, equipment, meals, lodging, transportation and other charges for  
emergency aid due to the storm of August 30, 2005, in the funded amount of \$40,012.91.

The project scope covers a request from Distribution Support for Dillard  
Smith Construction Company to perform emergency restoration work to our electric  
system due to said storm, in accordance with the pre-existing Emergency Aid Agreement.  
The new contract value is \$2,012,884.51.

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

THAT, Subject to the consent and approval of the Council of the City of  
Memphis, Change No. 4 to Contract No. 10783 with Dillard Smith  
Construction Company in the funded amount of \$40,012.91 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. 5 to Contract No. 10903,  
Expanets Combined Maintenance Agreement, with Converged Solutions Group, LLC  
(CSG) to renew the maintenance in the funded amount of \$609,961.37 over a three-year  
period.

The project scope has changed to allow MLGW to close Contract No. 10802 and combine the maintenance service for the upcoming years with Contract No. 10903 to create one maintenance contract. Contract No. 10903 was created on December 5, 2002 by combining three other CSG maintenance contracts. Contract No. 10903 will now provide telephone switch maintenance for Phonemail, HICOM M30, HICOM M80, Telemate, HIPATH 4000 AND HIPATH 4500 systems at various MLGW locations. Payments will be made annually in the amount of \$181,309.32 for 2006; \$204,691.45 for 2007; and \$223,960.60 for 2008. The new contract amount is \$949,405.71.

It was moved by Commissioner Clark, 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. 10903 with Converged Solutions Group, LLC in the funded amount of \$609,961.37 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. 10919, Business Operations Center Telecommunications System, with Converged Solutions Group, LLC (CSG), in the funded amount of \$31,771.

The project scope has changed to allow CSG to purchase and install Cisco routing and switching equipment for the newly installed Internet Protocol Distributed Architecture remote shelves. This purchase will complete the installation that will allow the MLGW Community Offices to have the same level of communication features that exist at the other MLGW facilities. The new contract amount is \$716,295.56.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 7 to Contract No. 10919 with Converged Solutions Group, LLC, in the funded amount of \$31,771 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 award of contract for furnishing electric meters which replenishes inventory material for distribution and/or contract crews to install and/or maintain the electric system. Order quantities are based upon previous usage records and projected projects that will be scheduled during the next 24 months. During the length of these contracts, quantities will be driven based on actual need for electric meters.

Bids were opened on October 12, 2005, with the lowest and best complying bidders of five bidders being Sensus Metering Systems for 100% of quantity specified for two items, and WESCO for 100% of quantity specified for six items.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, WESCO is awarded contract for furnishing the Division with:

24-month blanket contract for 100% of quantity specified for Items 1, 3, 5, 6, 7 and 8 for electric meters as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of this contract, supplier will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and supplier. A copy of all unit prices will be placed on file in General Accounting

the total award amounts to approximately \$866,835.20; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm for the life of the contract; delivery in three to six weeks; and further,

THAT, Subject to the consent and approval of the Council of the City of Memphis, Sensus Metering Systems is awarded contract for furnishing the Division with:

24-month blanket contract for 100% of quantity specified for Items 2 and 4 for electric meters as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of this contract, supplier will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and supplier. A copy of all unit prices will be placed on file in General Accounting

the total award amounts to approximately \$129,510.80; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm for the life of the contract; delivery in two weeks.

The total of all awards amounts to approximately \$996,346.

6. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners analysis of bids for furnishing the Division with paper-insulated, lead-covered cable which will be used in the construction and maintenance of our network and distribution systems.

Bids were opened on November 2, 2005, with the lowest and best complying bidder of one bidder being The Okonite Company.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, The Okonite Company is awarded contract for furnishing the Division with:

14,400 ft. (18 – 800 ft. reels of three-phase assembly with a combined total of 43,200 ft.) – single conductor 1/0 AWG solid-type impregnated paper-insulated, lead-covered and polyethylene-jacketed cable, made in accordance with MLGW Specification No. 35-5025 dated September 1, 1999, at \$12.264 per ft. of three-phase assembly

2,400 ft. (3 – 800 ft. reels) 3/C #4/0 AWG compact sector, copper conductor, paper-insulated, lead-covered and polyethylene-jacketed 15 KV power cable, made in accordance with MLGW Material Description No. 35-6828 dated February 6, 2001, at \$15.777 per ft. of 3/C assembly

1,600 ft. (2- 800 ft. reels) 3/C – 750 KCMIL compact sector, copper conductor, paper-insulated, lead-covered and polyethylene-jacketed power cable, made in accordance with MLGW Material Description No. 35-6987, dated March 24, 1997, at \$36.334 per ft. of 3/C assembly

totaling \$272,600.80 approximately; f.o.b. Memphis, Tennessee, transportation prepaid; said prices based on metals escalation; delivery in 12 weeks.

7. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing instrument transformers which replenishes inventory material for distribution and/or contract crews to install and/or maintain the electric system. Order quantities are based upon previous usage records and projected projects that will be scheduled during the next 24 months. During the length of these contracts, quantities will be driven based on actual need for instrument transformers.

Bids were opened on October 12, 2005, with the lowest and best complying bidders of four bidders being GEC/Durham Industries for 100% of quantities

specified for four items; Utilicor for 100% of quantities specified for 11 items; TVESCO for 100% of quantity specified for one item; and Ritz Instrument Transformers, Inc. for 100% of quantities specified for seven items.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, GEC/Durham Industries is awarded contract for furnishing the Division with:

24-month blanket contract for 100% of quantities specified for Items 1, 2, 13 and 14 for instrument transformers as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of this contract, supplier will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and supplier. A copy of all unit prices will be placed on file in General Accounting

the total award amounts to approximately \$81,251,40; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm for the life of the contract; delivery in six weeks; and further,

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

24-month blanket contract for 100% of quantities specified for Items 3 through 12 and Item 15 for instrument transformers as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of this contract, supplier will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and supplier. A copy of all unit prices will be placed on file in General Accounting

the total award amounts to approximately \$35,411.52; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm for the life of the contract; delivery in two weeks; and further,

THAT, Subject to the consent and approval of the Council of the City of Memphis, TVESCO is awarded contract for furnishing the Division with:

24-month blanket contract for 100% of quantity specified for Item 16 for instrument transformers as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of this contract, supplier will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and supplier. A copy of unit price will be placed on file in General Accounting

the total award amounts to approximately \$2,670; f.o.b. Memphis, Tennessee; transportation prepaid; said prices being firm for the life of the contract; delivery in eight to ten weeks; and further,

THAT, Subject to the consent and approval of the Council of the City of Memphis, Ritz Instrument Transformers, Inc. is awarded contract for furnishing the Division with:

24-month blanket contract for 100% of quantities specified for Items 17 through 23 for instrument transformers as released by MLGW. If a need for additional items of these groups of materials or design changes to existing items is identified during the period of this contract, supplier will be requested to add the new items or make changes to the existing items on the contract at a price agreeable to both MLGW and supplier. A copy of all unit prices will be placed on file in General Accounting

the total award amounts to approximately \$18,255; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm for the life of the contract; delivery in one to twelve weeks.

The total of all awards amounts to approximately \$137,587.92.

8. The Manager, Procurement and Contracts submitted for consideration of the Board analysis of bids for furnishing the Division with Scada-Mate switches and controls which will be used to remotely and automatically sectionalize faults on the overhead electric system in order to help speed restoration, reduce outage times and increase reliability for our electric customers.

Bids were opened on October 26, 2005, with the lowest and best complying bidder of one bidder being Hughes Supply d/b/a Tennessee Valley Electric Supply Company.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Hughes Supply d/b/a Tennessee Valley Electric Supply Company is awarded contract for furnishing the Division with:

15 – 25KV, 600A Scada-Mate switches – S&C Catalog No. 148213R2-C45-ES-F1 in accordance with Division specifications, at \$14,322.68 each

15 – Energyline 5801 Control for Scada-Mate switch – S&C Catalog No. 5801-F01G1JB1K1POR1598-S3T0W2 in accordance with Division specifications, at \$9,083.50 each

totaling \$351,092.70; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery in 14 weeks.

9. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing the Division with

Substation Batteries for replacement of existing equipment at Substation Nos. 1, 2, 28, 33 and 43.

Bids were opened on October 5, 2005, with the lowest and best complying bidders of two bidders being Saft America, Inc. c/o H V Sales Company, Inc. for three items, and Alcad, Inc. c/o Weisler & Associates for one item.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Saft America, Inc. is awarded contract for furnishing the Division with:

2 – Batteries, lead-acid, plante-type, storage, 129 volts with float-charge operating range of 105-140 volts, nominal 8-hour discharge capacity to 1.75 volts/cell of 252 ah, with 25-year guarantee of at least 80% of rated capacity, to be furnished wet and fully charged in transparent plastic cell jars with two-step seismic-support racks and all necessary inter-cell connectors, at \$15,270 each

1 – Battery, lead-acid, plante-type, storage, 129 volts with float-charge operating range of 105-140 volts, nominal 8-hour discharge capacity to 1.75 volts/cell of 252 ah, with 25-year guarantee of at least 80% of rated capacity, to be furnished wet and fully charged in transparent plastic cell jars with two-step seismic support racks and all necessary inter-cell connectors, at \$15,185 each

2 – Batteries, lead-acid, plante-type, storage, 129 volts with float-charge operating range of 105-140 volts, nominal 8-hour discharge capacity to 1.75 volts/cell of 168 ah, with 25-year guarantee of at least 80% of rated capacity, to be furnished wet and fully charged in transparent plastic cell jars with two double-tier single-row seismic-support racks and all necessary inter-cell connectors, at \$11,050 each

totaling \$67,825; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery in 12 weeks after receipt of order; and further,

THAT, Subject to the consent and approval of the Council of the City of Memphis, Alcad, Inc. c/o Weisler & Associates is awarded contract for furnishing the Division with:

2 – Chargers, battery, solid-state scr-type or magnetic amplifier/silicon diode rectifier-type, wall-mounted, for use with station lead-acid storage battery, with the following ratings and features, at \$2,095.57 each

- a. Input – 120/208/240 vac, plus/minus 10%, 60hz single phase
- b. Output – 129 vdc plus/minus 0.5% adjustable float voltage, 140vdc plus/minus 0.5% adjustable equalize voltage, 25a, current limited at approximately 115%
- c. Timer-controlled float equalize switch, 0-24 hr. range
- d. DC voltmeter and ammeter 3-1/2” scales or MLGW-approved alternative, 1% accuracy
- e. AC input circuit breaker, two-pole



- f. DC output circuit breaker, two-pole
- g. External chassis grounding lug, 1/0 awg
- h. Two incandescent or led ground detection lamps
- i. Input and output terminals to accommodate #6 awg cu

totaling \$4,191.14; f.o.b. Memphis, Tennessee, transportation prepaid; said prices firm; delivery in 16 weeks after receipt of order.

The total of all awards amounts to \$72,016.14.

10. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing the Division with anthracite filter media for use at Shaw Pumping Station for treatment and filtration of well water. This material will be used to replace existing media which is no longer effective.

Bids were received on November 2, 2005, with the lowest and best complying bidder of two bidders being Guthrie Sales and Service.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Guthrie Sales and Service is awarded contract for furnishing the Division with:

3560 cubic feet – anthracite filter media furnished in full accordance with MLGW specifications dated September 2005

totaling \$29,359 approximately; f.o.b. Memphis, Tennessee, transportation prepaid; said price being firm; delivery in 10 weeks.

11. The President recommended to the Board of Light, Gas and Water Commissioners, approval of position number 06007 for Interim Supervisor, Water Engineering, with the salary range between \$6,189.19 and \$9,283.79 monthly. Said position number will be inactivated upon the permanent filling of position number 01704 for Supervisor, Water Engineering.

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

THAT, Position number 06007 for Interim Supervisor, Water Engineering, with the salary range between \$6,189.19 and \$9,283.79 monthly, is approved.

12. The President recommended to the Board of Light, Gas and Water Commissioners, approval of position number 06008 for Interim Supervisor, Gas Engineering, with the salary range between \$6,189.19 and \$9,283.79 monthly. Said position number will be inactivated upon the permanent filling of position number 02876 for Supervisor, Gas Engineering.

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

THAT, Position number 06008 for Interim Supervisor, Gas Engineering, with the salary range between \$6,189.19 and \$9,283.79 monthly, is approved.

13. The President recommended to the Board of Light, Gas and Water Commissioners, approval of position number 06009 for Interim Supervisor, Residential Engineering, with the salary range between \$6,080.53 and \$9,120.79 monthly. Said position number will be inactivated upon the permanent filling of position number 00960 for Supervisor, Residential Engineering.

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

THAT, Position number 06009 for Interim Supervisor, Residential Engineering, with the salary range between \$6,080.53 and \$9,120.79 monthly, is approved.

14. The President recommended to the Board of Light, Gas and Water Commissioners, approval of position number 06010 for Interim Supervisor, Reliability & Power Quality, with the salary range between \$6,080.53 and \$9,120.79 monthly. Said position number will be inactivated upon the permanent filling of position number 04197 for Supervisor, Reliability & Power Quality.

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

THAT, Position number 06010 for Interim Supervisor, Reliability & Power Quality, with the salary range between \$6,080.53 and \$9,120.79 monthly, is approved.

15. The President recommended to the Board of Light, Gas and Water Commissioners, approval of position numbers 06011, 06012 and 06013 for Foreman,

Meter Reading, with the salary range between \$4,254.31 and \$6,381.47 monthly. Vacant position numbers 00397, 00727 and 00675 for Customer Service Technician I, and vacant position number 02068 for Customer Service Technician III, will be permanently inactivated once position numbers 06011, 06012 and 06013 have been approved. The impact of the additional Foreman, Meter Reading positions will be a net increase in the combined base salaries of \$34,358, but is expected to be offset with an anticipated net overtime reduction of \$51,000, resulting in an overall estimated net savings of \$16,642.

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

THAT, Position numbers 06011, 06012 and 06013 for Foreman, Meter Reading, with the salary range between \$4,254.31 and \$6,381.47 monthly, are approved.

16. The President recommended to the Board of Light, Gas and Water Commissioners, approval of temporary position number 06014 for Inspector, Contracted Services, with the salary range between \$4,254.31 and \$6,381.47 monthly. Said position number will be needed for approximately three months, after such time it will be permanently inactivated. Funds are included in the 2006 Budget.

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

THAT, Temporary position number 06014 for Inspector, Contracted Services, with the salary range between \$4,254.31 and \$6,381.47 monthly, is approved.

17. The President recommended to the Board of Light, Gas and Water Commissioners, approval of reclassification of position number 04187 from Environmental Engineer Level I, with the salary range between \$4,425 and \$6,637.50 monthly, to Environmental Engineer Level III, with the salary range between \$5,249.57 and \$7,874.35 monthly. The funds will be absorbed in the 2006 Budget of the Vice President, Engineering.

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

THAT, Reclassification of position number 04187 from Environmental Engineer Level I, with the salary range between \$4,425 and \$6,637.50

monthly, to Environmental Engineer Level III, with the salary range between \$5,249.57 and \$7,874.35 monthly, is approved.

18. The Vice President, Engineering presented for approval of the Board an amendment to the Agreement between City of Piperton and MLGW dated February 18, 2005, which extends the deadline for Piperton to acquire the necessary right-of-way from October 1, 2005 to December 31, 2005 and increases the amount of MLGW's land acquisition costs from \$500,000 to \$750,000.

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

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

THAT, Amendment to the Agreement between City of Piperton and MLGW dated February 18, 2005 as outlined in the foregoing preamble is approved.

19. The Manager, Budget, Plant and Rates informed the Board that the Municipal Electric System Tax Equivalent Law of 1987 has been in effect since July 1, 1987, and the Municipal Gas System Tax Equivalent Law became effective July 1, 1988. Both acts provide a uniform formula throughout the state establishing the maximum permissible in-lieu-of tax payments. The acts further provide that if the application of the new formulas would produce an amount less than the amount paid by the municipal utility for the 12 months ending June 30, 1987, the amount payable shall be under the prior formula. The same payments will be made until the new formula produces increased in-lieu-of tax payments.

A resolution of this Board was passed September 17, 1987, providing that on each July 1, or as soon thereafter as possible, the tax payments on the new formula for the Electric Division will be computed. A resolution of this Board was passed on November 17, 2000, that the tax payment under the gas formula shall be computed on each July 1, or as soon thereafter as possible.

Pursuant to the Tax Equivalent Laws of 1987 and 1988, the electric and gas calculations, having exceeded the amount paid for the 12 months ending June 30, 1987, will be paid in accordance with the new formulas.

The in-lieu-of tax payment to the City of Memphis shall be as follows:

<u>Date</u>	<u>Electric Division</u>	<u>Gas Division</u>
11/30/05	\$25,259,743.35	\$10,181,144.43
04/30/06	<u>7,993,512.91</u>	<u>5,175,452.59</u>
	\$33,253,256.26	\$15,356,597.02

The electric and gas in-lieu-of tax payments to the other cities in Shelby County shall be:

<u>Electric Division</u>			
<u>City</u>	<u>11/30/05</u>	<u>4/30/06</u>	<u>Total</u>
Arlington	\$ 17,396.27	\$ 2,314.12	\$ 19,710.39
Bartlett	68,050.98	35,806.14	103,857.12
Collierville	102,962.40	16,333.73	119,296.13
Germantown	119,205.07	43,820.08	163,025.15
Millington	43,559.27	11,614.16	55,173.43

<u>Gas Division</u>			
<u>City</u>	<u>11/30/05</u>	<u>4/30/06</u>	<u>Total</u>
Arlington	\$ 8,744.46	\$ 3,042.79	\$11,787.25
Bartlett	32,696.87	18,056.37	50,753.24
Collierville	33,781.57	20,981.50	54,763.07
Germantown	25,276.42	19,525.46	44,801.88
Millington	25,476.04	5,540.50	31,016.54

If, in the future, any adjustments are necessary because of the new formula, the adjustment will be made in the November payment.

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

THAT, The revisions set out in the foregoing preamble are approved.

20. The Manager, Budget, Plant and Rates informed the Board that the Tennessee Code Annotated 7-34-115(a)(9) provides for an in-lieu-of tax equivalent payment to be made to the City of Memphis, if the governing body of the municipality by resolution so requests.

The City of Memphis and Memphis Light, Gas and Water Division (MLGW) entered into a PILOT Agreement dated July 1, 2001, establishing that MLGW will make certain payments in-lieu-of taxes from the Water Division to the City of Memphis.

The City of Memphis adopted a resolution dated November 20, 2001, directing MLGW to make a payment from the Water Division in-lieu-of dividend and ad valorem taxes to help reimburse the City for the services, improvements, facilities and other support provided by the City to MLGW.

The purpose of this resolution is to establish the in-lieu-of taxes to be paid by the Water Division to the City of Memphis, The Board authorizes the Division to make two equal payments to the General Fund of the City as payments in-lieu-of taxes or tax equivalency payments with respect to the Water System for a total of \$2,500,000, with \$1,250,000 payable as soon as possible after November 30, 2005 and \$1,250,000 payable April 30, 2006.

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

THAT, The payments to the City of Memphis as set forth in the foregoing preamble are approved.

21. The Manager, Electric Engineering presented for consideration of the Board approval of the release of utility easements as follows:

A partial release of an 8-ft.-wide utility easement as recorded in Book 6250, Page 30 in the Register's Office of Shelby County, Tennessee across a parcel of land described by Instrument No. FM-6924 in the Register's Office of Shelby County, Tennessee, to Scott M. Andrews and wife, Faith C. Andrews, or their successors in title, for the sum of \$1.00. Property is addressed as 2300 Reed Hooker Road.

AN anchor easement as recorded in Book 2512, Page 432 in the Register's Office of Shelby County, Tennessee across a parcel of land described by Instrument No. FM-6924 in the Register's Office of Shelby County, Tennessee, to Scott M. Andrews and wife, Faith C. Andrews, or their successors in title, for the sum of \$1.00. Property is addressed as 2300 Reed Hooker Road.

AN 8-ft.-wide easement as recorded in Book 2881, Page 344 in the Register's Office of Shelby County, Tennessee across a parcel of land described by Instrument No. FM-6924 in the Register's Office of Shelby County, Tennessee, to Scott M. Andrews and wife, Faith C. Andrews, or their successors in title, for the sum of \$1.00. Property is addressed as 2300 Reed Hooker Road.

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

THAT, Release of the easements 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.

22. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 3 to Contract No. 10879, Information Services Support, with Computer Horizons Corporation with no increase in the contract value.

The project scope allows Computer Horizons to continue to provide personnel for technical information support in Information Services for a third term, October 1, 2005 to October 1, 2006. The estimated fee is \$300,960, and each applicant will be paid in accordance with the Attached Article 1 Proposed Rate Schedule. (See Minute File No. 1275.) The estimated amount will not exceed the current contract value of \$900,960.

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

THAT, Change No. 3 to Contract No. 10879 with Computer Horizons Corporation as outlined in the foregoing preamble is approved; and further,

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

23. The Manager, Hickory Hill Service Center submitted for consideration of the Board a change to the Gas Service Policy.

The Gas Service Policy Review Committee has held a series of meetings for a complete review of the Gas Service Policy. The Committee has recommended the policy be rewritten to update and clarify in accordance with the attached draft. (See Minute File No. 1275.) This review is the normal three-year interval for each of our service policy manuals.

The Committee recommends these changes become effective January 1, 2006.

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

THAT, The Manager, Hickory Hill Service Center is hereby authorized to reprint and publish a new Gas Service Policy in accordance with the attached draft (see Minute File No. 1275), and this new schedule will become effective as stated above.

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

SEE MINUTE FILE NO. 1275.

Secretary-Treasurer