

MINUTES OF MEETING  
of  
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS  
CITY OF MEMPHIS  
held  
December 1, 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, December 1, 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; Alonzo Weaver, Vice President, Customer Operations; and Carolyn Turman, Interim Vice President, Human Resources. Charlotte Knight-Griffin attended due to the absence of Odell Horton, Jr.

Commissioner Clark moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held November 17, 2005, that they be recorded as the official record, seconded by Vice Chairman Evans and unanimously carried.

The Secretary-Treasurer acknowledged receipt of certified copies of City Council Resolutions dated November 15, 2005, as follows: Item Nos. 14 through 22, approving items approved by the MLGW Board at meeting held November 3, 2005 (see Minute File No. 1275.)

The Secretary-Treasurer updated the Board regarding MLGW items that are pending City Council approval.

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 8 to Contract No. 10690, Distance Education and Video Conferencing System, with Interactive Solutions, Inc. in the funded amount of \$79,469.

The project scope has changed to allow Interactive Solutions, Inc. to expand the Multipoint Control Unit (MCU) and to provide four years of Polycom Premier Service from 8:00 a.m. to 5:00 p.m., Monday through Friday. The video

conference system was purchased for receiving and transmitting video conferences at the Administration Building, Training Center and North Service Center. Expansion of the MCU and T-1's has allowed MLGW to provide video conferencing at five other MLGW sites, and this expansion will allow the system to have audio conferencing capabilities at all locations. The new contract value is \$537,639.45.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 8 to Contract No. 10690 with Interactive Solutions, Inc. in the funded amount of \$79,469 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. 1 to Contract No. 10993, Dial Tone Services, with US LEC of Tennessee, Inc. in an estimated funded amount of \$43,200.

The project scope has changed to allow MLGW to add \$43,200 to the entire 36-month contract term to cover the cost of Directory Assistance, 911 Service Fees and Excise Taxes that were not calculated by Telecommunications Engineering as part of the original award of April 1, 2004. The new contract amount is \$241,200.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 10993 with US LEC of Tennessee, Inc. in an estimated funded amount of \$43,200 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. 1 to Contract No. 11026, External Audit Services, with Watkins Uiberall, PLLC, in the funded amount of \$236,000.

The project scope has changed to allow Watkins Uiberall, PLLC, and Banks, Finley, White to perform the audit for year-ending December 31, 2005. The audit will be performed in accordance with the same terms and conditions as the December 31, 2004 audit. The new contract value is \$436,000.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 11026 with Watkins Uiberall, PLLC in the funded amount of \$236,000 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 Vice President, Engineering presented for consideration of the Board renewal of Cooperative Agreement No. 5447, investigation of Water Resources, for the period of October 1, 2005 to September 30, 2006, stipulating that a sum of \$50,000 will be furnished by the Division and a like sum furnished by the United States Department of the Interior Geological Survey for continuation of the ground water data collection program in the Memphis area.

The Memphis Light, Gas and Water Division and the United States Department of the Interior Geological Survey have cooperated for the purpose of investigating ground water resources in the immediate vicinity of Memphis since the year 1940, and the Vice President, Engineering recommends that the Division continue to encourage this work and cooperate with the Geological Survey in accordance with Cooperative Agreement as submitted.

The cost of this Agreement will be included in the 2006 Budget.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, renewal of Cooperative Agreement No. 5447 in the sum of \$50,000 is approved; and further,

THAT, The President or his designated representative is authorized to execute Cooperative Agreement No. 5447 with the United States Department of Interior Geological Survey as outlined in the foregoing preamble.

5. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing 50 Modem Assemblies Part No. 60-9902; 50 Modem Assemblies Part No. 61-9902; and 50 Electronic Volume Correctors. The modem assemblies are used to transfer data between the electronic volume correctors and MLGW offices. The electronic volume correctors correct the consumed volumes of gas in real time for supply pressure and, if required, temperature.

Bids were opened on November 2, 2005, with the lowest and best complying bidder of two bidders being Reynolds Equipment Company in the amount of \$112,500.

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

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

50 – Modem Assemblies, Part No. 60-9902, at \$700 each

50 – Modem Assemblies, Part No. 61-9902, at \$475 each

50 – Electronic Volume Correctors, made in accordance with MLGW specifications dated October 10, 2005, at \$1,075 each

totaling \$112,500; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery in two weeks.

6. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing six vehicular modems, six portable radios, one radio dispatch console, and 20 tone remote adapters which will be used by MLGW employees to dispatch, track, and monitor the radio system and employees throughout the Division.

Bids were received on October 10, 2005, with the lowest bidder of two bidders being Motorola c/o Integrated Communications in the amount of \$44,516.70.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Motorola c/o Integrated Communications is approved for furnishing the Division with:

6 – Motorola Model VRM 850 vehicular modems, at \$2,078.25 each

6 – Motorola HT1000 portable radios, at \$815.76 each

1 – Contracom Gold Elite radio dispatch console, at \$17,851.64 each

20 – Motorola tone remote adapters, at \$465.05 each

totaling \$44,516.70; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery in 90 days.

7. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing one hydraulic crane to be used by distribution crews to install and/or maintain electric, gas and water systems. This equipment replaces existing equipment that will be retired.

Bids were opened on November 16, 2005, with the lowest and best complying bidder of six bidders being NES Rentals in the amount of \$89,825.

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

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

1 – Latest model truck-mounted hydraulic crane, having a maximum lifting capacity of at least 40,000 lbs., to be installed on cab and chassis supplied by the Division, all in accordance with MLGW Specification No. THTC-04-3190

totaling \$89,825; f.o.b. Memphis, Tennessee, transportation prepaid; said price being firm; delivery by May 2006.

8. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing multi-power units which are used by distribution crews to install and/or maintain electric, gas and water systems. This equipment replaces existing equipment that will be retired.

Bids were opened on November 16, 2005, with the lowest and best complying bidder of four bidders being Scruggs Equipment, Inc. in the amount of \$77,887.76.

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

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

2 – Latest model multi-power units having at least two sources of power (electrical, hydraulic or pneumatic) in any combination at the same time, all in accordance with MLGW Specification No. MPU-05-0337, at \$35,943.88 each and installation at \$3,000 each

totaling \$77,887.76; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery within 60 days.

9. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing #4/0 AWG wire which is used by Distribution Support crews to install and/or maintain the electric system.

Bids were opened on November 21, 2005, with the lowest and best complying bidder of three bidders being Utilicor, Inc. in the amount of \$36,670.70.

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

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

29,150 lbs. – #4/0 AWG Wire

totaling \$36,670.70; f.o.b. Memphis, Tennessee, transportation prepaid; said price being firm; delivery in 10 weeks.

10. The Manager, Procurement and Contracts submitted for consideration of the Board exercise of option to extend contract for furnishing the Division with electric meter pedestals for an additional 12-month period.

On December 16, 2004, the Board approved contract for an initial 12-month period with the option to renew based on satisfactory performance of the initial 12-month period. This award was made to Tennessee Valley Electric Supply Company.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Tennessee Valley Electric Supply Company is awarded contract

extension for a 12-month period, in the total amount of \$427,500, approximately.

11. By unanimous consent, Item No. 11, approval of amendments to the 2006 Gas Service Policy, 2005 Electric Service Policy and 2004 Water Service Policy, was deleted from the agenda.

12. 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 Clark and unanimously carried:

THAT, Amendment No. 3 is approved as follows:

By deleting Marcia Mason from the list of personnel authorized to sign or countersign MLGW Common Account checks (First TN- MLGW Common Account No. 00-0090239) and Customer Deposit checks (First TN – MLGW Customer Deposit Account No. 00-0090352).

By adding Carolyn Turman to the list of personnel authorized to sign or countersign MLGW Common Account checks (First TN – MLGW Common Account No. 00-0090239) and Customer Deposit checks (First TN – MLGW Customer Deposit Account No. 00-0090352).

By deleting Nancy E. Mitchison from the list of personnel authorized to sign Freight Account checks (Tri-State – MLGW Freight Account No. 00-0900028).

13. The Vice President, Engineering submitted for consideration of the Board a set of policies offering construction incentives to builders and/or developers who adopt MLGW's voluntary EcoBUILD residential green building standards for construction of energy-efficient, environmentally sustainable single-family or multi-family homes. The policies shall be an addendum to MLGW's Incentive Policies for Housing and Economic Development and, as such, shall be available to applicable residential construction that is certified through the EcoBUILD program, provided the builder and/or developer complies with all standards and requirements. No changes are being made to the language of the policies, other than the removal of the 12/31/2005 deadline, thereby extending their availability indefinitely. (See Minute File No. 1276.)

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

THAT, The policies outlined in the foregoing preamble are approved as an amendment to MLGW's Incentive Policies for Housing and Economic Development; and further,

THAT, The policies will remain in effect until further notice.

14. The President submitted for approval of the Board position numbers 06015 through 06017, and 05794 through 05795, as listed on the attached document. (See Minute File No. 1276.)

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

THAT, Position numbers 06015 through 06017, and 05794 through 05795, as listed on the attached document, are approved.

15. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of expenditure on Contract No. 11071, Emergency Aid Agreement, with Davis H. Elliot Company in the funded amount of \$336,430.77.

The project scope covers emergency restoration work to the electric system performed by Davis H. Elliot Company at the request of MLGW due to the storm of August 30, 2005 in accordance with the pre-existing Emergency Aid Agreement. This covers reimbursement of costs, including labor, equipment, meals, lodging, transportation and other charges at the request of Distribution Support for emergency aid due to said storm.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, expenditure of funds on Contract No. 11071 with Davis H. Elliot Company in the funded amount of \$336,430.77 as outlined in the foregoing preamble is approved; and further,

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

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

SEE MINUTE FILE NO. 1276.