

MINUTES OF MEETING  
of  
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS  
CITY OF MEMPHIS  
held  
December 21, 2006

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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, December 21, 2006 at 1:30 p.m. The following were in attendance: Rick Masson, Chairman; V. Lynn Evans, Vice Chairman; 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; Alonzo Weaver, Vice President, Customer Operations; and Armstead Ward, Vice President, Human Resources. Diana Veazey, Vice President, Construction and Maintenance, Christopher Bieber, Vice President, Engineering and Linda Peppers, Vice President and Chief Technology Officer were not in attendance.

Vice Chairman Evans moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held December 7, 2006, that they be recorded as the official record, seconded by Commissioner Taylor, and unanimously carried.

The Secretary-Treasurer acknowledged receipt of certified copies of City Council Resolutions dated December 5, 2006, Item Nos. 9 through 16, approving items approved by the MLGW Board at its meeting held November 16, 2006 (See Minute File No. 1287).

1. The Interim Manager, Procurement and Contracts, recommended to the Board of Light, Gas and Water Commissioners approval of an Expedited Procurement Request for Change No. 1 to Contract No. 11053, Armored Car Services, with Dunbar Armored Car Services, to continue to pick up money for deposit at all of MLGW's Community Offices and to renew the Contract for the first term beginning December 19, 2006 until December 18, 2007, in the funded amount of \$46,748.40 with no increase in service rates.

The project scope has changed to continue to pick up money for deposit at all of MLGW's Community Offices and to renew the Contract for the first term

beginning December 19, 2006 until December 18, 2007 in the funded amount of \$46,748.40 with no increase in service rates. The service must continue because the current contract term expires December 19, 2006 before both the Board of Commissioners and City Council final approval. The new Contract amount is \$93,496.80.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 1 to Contract No. 11053 with Dunbar Armored Car Services in the funded amount of \$46,748.40, 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 Interim Manager, Procurement and Contracts, recommended to the Board of Light, Gas and Water Commissioners Change No. 1 to Contract No. 11110, Courier Services, with Express Courier International, Inc., to add two additional days, Tuesday and Thursday, each week to the North Community Office Inter-Departmental mail run beginning January 22, 2007, in the funded amount of \$858.

The project scope has changed to add two additional days, Tuesday and Thursday, each week to the North Community Office Inter-Departmental mail run beginning January 22, 2007. The additional runs are necessary to accommodate our ratepayers who may have sent us wrong information that must be returned to them in a timely manner to avoid disconnecting their utility services. The new Contract amount is \$143,641.51.

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

THAT, Change No. 1 to Contract No. 11110 with Express Courier International Inc., in the funded amount of \$858, 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 Interim Manager, Procurement and Contracts, recommended to the Board of Light, Gas and Water Commissioners that it award the purchase of an Uninterruptible Power Source (UPS) and DC Power System (DCPS) which will be used to support telecommunication equipment at MLGW tower shelters.

Bids were opened on September 19, 2006. The lowest and best complying bidder of four bidders was the firm of Computer AC, Inc. for six items in the amount of \$146,468.

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

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

- 7 – Uninterruptible Power Source (UPS)
- 21 – Power Distribution Panels
- 14 – UPS Batteries Cabinet
- 8 – DC Power System
- 16 – AC Cable
- 32 – DC Rectifiers

Totaling \$146,468; f.o.b. Memphis, TN, transportation prepaid; said prices being firm; delivery in five weeks.

4. The Interim Manager, Procurement and Contracts, requested the Board's permission to amend Purchase Order No. 123567 with American Meter for 630-750 CCF gas meters as budgeted for 2007. All existing terms and conditions with remain the same.

On November 9, 2004, the Board of Light, Gas and Water Commissioners approved the award of a 36-month contract for gas meters. The original award amount was \$307,557 with firm prices for the length of the contract with quantities driven by actual need for gas meters. The usage has increased due to a pickup in construction and maintenance jobs. Total expenditures to date on this contract are \$273,384. An additional approval in the amount of \$136,692 is requested to allow MLGW to release the gas meters required for MLGW stock and scheduled jobs for 2007. This will bring the total approved amount to \$444,249.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Purchase Order No. 123567 will be amended as outlined in the foregoing preamble.

5. The Interim Manager, Procurement and Contracts, requested the Board's permission to amend Purchase Order No. 123566 with Actaris US Gas Incorporated for

250 CCF and 400-425 CCF gas meters as budgeted for 2007. All existing terms and conditions will remain the same.

On November 9, 2004, the Board of Light, Gas and Water Commissioners approved the award of a 36-month contract for gas meters. The original award amount was \$613,200 with firm prices for the length of the contract with quantities driven by actual need for gas meters. The usage has increased due to a pickup in construction and maintenance jobs. Total expenditures to date on this contract are \$409,000. An additional approval in the amount of \$21,800 is requested to allow MLGW to release the gas meters required for MLGW stock and scheduled jobs for 2007. This will bring the total approved amount to \$635,000.

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

THAT, Purchase Order Number 123566 will be amended as outlined in the foregoing preamble.

6. The Interim Manager, Procurement and Contracts, requested the Board's permission to amend Purchase Order No. 123568 with Dresser Roots Meters and Instruments for 1500 CFH, 3000 CCF, 5000 CCF and 3000 CCF gas meters as budgeted for 2007. All existing terms and conditions will remain the same.

On November 9, 2004, the Board of Light, Gas and Water Commissioners approved the award of a 36-month contract for gas meters. The original award amount was \$275,220 with firm prices for the length of the contract with quantities driven by actual need for gas meters. The usage has increased due to a pickup in construction and maintenance jobs. Total expenditures to date on this contract are \$207,590. Therefore, an additional approval in the amount of \$32,425 is requested to allow MLGW to release the gas meters required for MLGW stock and scheduled jobs for 2007. This will bring the total approved amount to \$307,645.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Purchase Order No. 123568 will be amended as outlined in the foregoing preamble.

7. The Interim Manager, Procurement and Contracts, requested the Board's permission to amend Purchase Order No. 123569 with Romet International LTD 5000

CCF, 7000 CCF, 11000 CFH, 16000 DFH, 23000 CFH and 38000 CFH gas meters as budgeted for 2007. All existing terms and conditions will remain the same.

On November 9, 2004, the Board of Light, Gas and Water Commissioners approved the award of a 36-month contract for gas meters. The original award amount was \$122,163 with firm prices for the length of the contract with quantities driven by actual need for gas meters. The usage has increased due to a pickup in construction and maintenance jobs. Total expenditures to date on this contract are \$96,352. An additional approval in the amount of \$17,282 is requested to allow MLGW to release the gas meters required for MLGW stock and scheduled jobs for 2007. This will bring the total approved amount to \$139,445.

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

THAT, Purchase Order no. 123569 will be amended as outlined in the foregoing preamble.

8. The Interim Manager, Procurement and Contracts, recommended to the Board of Light, Gas and Water Commissioners that it award the purchase of ACSR wire which replenishes inventory material for distribution and/or contract crews to install and/or maintain electric system. Order quantities are based upon previous usage records and projected projects that will be scheduled during the next 12 months. During the length of this contract, quantities will be driven based on actual need for ACSR wire. This contract will also allow the Division to have quick access to ACSR wire in case of emergency situations.

Bids were opened on November 8, 2006. The lowest and best complying bidder of four bidders was the firm of Stuart C. Irby. The approximate total is \$412,000.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Stuart C. Irby is hereby awarded contract for furnishing the Division with:

Blanket contract for a 12 month period for providing ACSR wire to be furnished as released by MLGW. If a need for additional items of this material or design changes to existing item is identified during the period of this contract, Stuart C. Irby will be requested to add the new items or make changes to the existing item on the contract at a price agreeable to both MLGW and Stuart C. Irby. A copy of the unit price to be placed on file in MLGW's Accounting Department; and further,

The total award for 12 months amounts to approximately \$412,000; f.o.b. Memphis, TN, our dock; transportation prepaid; said price being firm except for escalation/de-escalation based on the cost of aluminum as per MLGW designated publication; delivery in 4-6 weeks.

9. 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 checks should be amended.

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

THAT, Amendment No. 7 be approved as follows:

By **adding** Dana Jeanes 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.)

10. The President and CEO submitted for approval of the Board the following position numbers, per the attached documents (See Minute File No. 1288):

Position No. 00192, Drafter II  
Position No. 00540, Drafter II  
Position No. 01501, Contract Specialist I  
Position No. 01783, Machine Operator (Gas/Directional Drilling)  
Position No. 02720, Business Systems Analyst II  
Position No. 05408, Drafter II  
Position No. 05708, Drafter-Detailer

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

THAT, Position numbers 00192, 00540, 01501, 01783, 02720, 05408 and 05708, as listed in the foregoing preamble, are approved.

11. The Interim Manager, Procurement and Contracts, requested the Board's permission to amend Purchase Order No. 123971 with Southern Sales and Service Company, Inc. c/o SkyCast for concrete standards budgeted for 2007. All existing customer terms and conditions will remain the same.

On January 22, 2004, the Board of Light, Gas and Water Commissioners approved the award of a 36-month contract for concrete standards. The original award amount was approximately \$1,035,517 with firm prices for the length of the contract. The request is needed to complete the final phases of the Countrywood and additional annexation areas which are to be completed by the end of December 2007. This project consists of the installation of approximately 2,600 concrete standards resulting in a higher

anticipated demand. Total expenditures to date on this contract are \$620,229.31 with a balance of \$415,287.69. Therefore, an additional approval in the amount of \$1,222,920.31 is requested to allow MLGW to release the concrete standards required for MLGW stock and scheduled jobs for 2007. This will bring the total approved amount to \$2,258,437.31.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Purchase Order No. 123971 be amended as outlined in the foregoing preamble.

12. The Interim Manager, Procurement and Contracts, requested the Board's permission to amend Purchase Order Number 123966 with StressCrete c/o Curtis H. Stout of TN for concrete standards budgeted for 2007. All existing customer terms and conditions will remain the same.

On January 22, 2004, the Board of Light, Gas and Water Commissioners approved the award of a 36-month contract for concrete standards. The original award amount was approximately \$979,146.99 with firm prices for the length of the contract. The request is needed to complete the final phases of the Countrywood and additional annexation areas which are to be completed by the end of December 2007. This project consists of the installation of approximately 2,600 concrete standards resulting in a higher anticipated demand. Total expenditures to date on this contract are \$499,017 with a balance of \$563,859.30. Therefore, an additional approval in the amount of \$948,726.01 is requested to allow MLGW to release the concrete standards required for MLGW stock and scheduled jobs for 2007. This will bring the total approved amount to \$1,927,873.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Purchase Order No. 123966 be amended as outlined in the foregoing preamble.

13. The Interim Manager, Procurement and Contracts, requested the Board's permission to amend Purchase Order No. 123325 with American Electric Lighting for luminaries budgeted for 2007. All existing customer terms and conditions with remain the same.

On September 16, 2004, the Board of Light, Gas and Water Commissioners approved the award of a 36-month contract for luminaries. The original award amount was approximately \$1,922,501.44 with firm prices the first 12-month period with a 3% maximum escalation for material in years two and three. The request is needed to complete the final phases of the Countrywood and additional annexation areas which are to be completed by the end of December 2007. This project consists of the installation of approximately 2,600 luminaries resulting in a higher anticipated demand. Total expenditures to date on this contract are \$1,884,407.80 with a balance of \$38,093.64. Therefore, an additional approval in the amount of \$796,284 is requested to allow MLGW to release the luminaries required for MLGW stock and scheduled jobs for 2007. This will bring the total approved amount to \$2,718,785.44.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Purchase Order No. 123325 be amended as outlined in the foregoing preamble.

14. Marvin Winston, 8596 Stablemill Lane, appeared before the Board to discuss various matters.

15. Bill Hawkins, Assistant Business Manager, IBEW Local 1288, 4000 Clearpool Circle, appeared before the Board to discuss various matters.

16. Susan Carter, 5329 Laurie Lane, appeared before the Board to discuss various matters.

17. Chairman Masson read a letter dated December 19, 2006 from Commissioner Russell tendering his resignation as an MLGW Board of Commissioner effective immediately (See Minute File No. 1288 for copy of letter).

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

SEE MINUTE FILE NO. 1288.

Secretary-Treasurer