

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

August 2, 2007

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, **August 2, 2007** at 1:30 p.m. The following were in attendance: V. Lynn Evans, Vice Chairman; Nick Clark, Commissioner; William L. Taylor, Commissioner; Jerry R. Collins, Jr., Interim Chief Utility Officer; John McCullough, Vice President, CFO and Secretary-Treasurer; Charlotte Knight Griffin, Acting Vice President and General Counsel; Christopher Bieber, Vice President, Customer Care; Linda Peppers, Vice President and Chief Technology Officer; and Carol Chumney, City Council Member. Due to the absence of Rick Masson, Vice Chairman Evans was Acting Chairman. Nick Newman, Acting Vice President, Construction and Maintenance; Alonzo Weaver, Vice President, Engineering and Operations; and Armstead Ward, Vice President, Human Resources 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 **July 19, 2007**, 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 **July 24 2007, Items 10 through 15**, approving items approved by the MLGW Board at its meeting held **July 5, 2007** (see Minute File No. **1295**).

Doug Peters, Director of Education and Training, TVPPA, presented the Tennessee Valley Lineman Rodeo Overall Team Award. Reggie Bowlin introduced the MLGW team.

1. The Manager, Procurement and Contracts recommended to the Board of Light Gas and Water Commissioners ratification of Expedited Procurement Request for award of Contract No. 11234, Horizontal Earth Bore, to Memphis Road Boring Company, Inc., in an estimated funded amount of \$196,420.

The project scope is to provide qualified and competent crew(s) to horizontally earth bore (HEB) two 42-inch steel encasements under the Sophia Bayou, located under Dudley Street between Union Avenue and Madison Avenue, in Memphis and Shelby County, Tennessee. Each encasement is approximately 40 to 60 feet in length. Labor, transportation and materials are included.

Proposals were received on July 18, 2007, for said contract, with the one and only proposal being submitted by Memphis Road Boring Company, Inc.

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

THAT, Subject to ratification by the Council of the City of Memphis, award of Contract No. 11234 to Memphis Road Boring Company, Inc., in an estimated funded amount of \$196,420, 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. 3 to Contract No. 10987, Helicopter Herbicide Spraying, with Helicopter Applicators, Inc., in an estimated funded amount not to exceed \$162,511.50.

The project scope is to provide helicopter and/or ground herbicide spraying services for MLGW transmission lines over approximately 1,000 acres located in Memphis and Shelby County, Tennessee, and to renew the contract for the second term of four renewal terms, retroactive to June 20, 2007 through June 19, 2008. The estimated funded amount as mentioned above represents a unit price increase adjustment from \$95 per acre to \$99.75 per acre due to increased pricing on diesel fuel, labor and chemicals utilized for ground herbicide applications. Also, the upland herbicide mix plus will increase from \$49.18 to \$51.63 per acre. The new contract amount is \$655,817.50.

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. 3 to Contract No. 10987 with Helicopter Applicators, Inc., in an estimated funded amount not to exceed \$162,511.50, 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 an amendment to the resolution presented on November 2, 2006, recommending an Expedited Procurement Request for Change No. 1 to Contract No. 11168, Medical Services, with NurseFinders, Inc.

This amendment will correct the record to reflect the prior action of the Board was an award of Contract No. 11168 and not Change No. 1. The November 2, 2006 resolution should have read, "The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11168, Medical Services, with NurseFinders, Inc., in the amount of \$76,127, of which \$24,999 was awarded under Contract No. C1390." Further, this amendment will correct the numbering of the succeeding change numbers approved April 19, 2007 and June 7, 2007.

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

THAT, The amendments as set forth above are approved; and further,

THAT, The Secretary-Treasurer is authorized to correct the records to reflect the amendments.

4. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 1 to Contract No. 11178, Internet Service Provider II, with US LEC of Tennessee to assign the contract to PAETEC.

The project scope is to allow PAETEC to continue to provide internet services support. This change is due to PAETEC assuming all responsibilities relative to Contract No. 11178 as the result of an acquisition.

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

THAT, Change No.1 to Contract No. 11178, Internet Service Provider II, assigning the contract to PAETEC, 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 a resolution to ratify the Intragovernmental

Agreement between MLGW and the City of Memphis and to establish an award in the amount of \$26,353,004 for Contract No. 11202, Administrative Services Agreement between MLGW and United Healthcare. The award amount was established in accordance with the resolutions approved by the Board of Light, Gas and Water Commissioners on November 2, 2006, and the Council of the City of Memphis on February 20, 2007.

This resolution acknowledges the execution of said MLGW Contract No. 11202, Administrative Services Agreement between MLGW and United Healthcare, the Amendment to the City of Memphis' contract with United Healthcare to recognize the Administrative Services Agreement between MLGW and United Healthcare and the ratification of the Intragovernmental Agreement between MLGW and the City of Memphis which allows MLGW to access City Contract No. 21019 with United Healthcare.

Further, the award amount of Contract No. 11202, Administrative Services Agreement between MLGW and United Healthcare, is established as \$26,353,004 over a three-year period with a 5% increase in the second and the third years. The award amount was determined based on the 2005 experience referenced in the November 2, 2006 Board resolution and funded in the 2007 Budget.

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

THAT, The award amount of \$26,353,004 is established and the Intragovernmental Agreement approved and such will be submitted to the Council of the City of Memphis for ratification; and further,

THAT, The President or his designated Vice President is authorized to execute such documents and take such further actions as may be necessary to carry out the purpose of this Resolution.

6. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for the purchase of 5' aluminum single-arm brackets which replenishes inventory material for distribution and/or contract crews to install and/or maintain the electric system.

Bids were opened on July 24, 2007. The lowest and best complying bidder of two bidders was the firm of PSI of Tennessee, LLC. The approximate total is \$45,160.

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, award of contract to PSI of Tennessee, LLC is approved for furnishing:

400 – Prestress Services Industries #121205LGW - 5' brackets at \$112.90 each

totaling \$45,160; f.o.b. Memphis, Tennessee, our dock; transportation prepaid; said prices being firm; delivery in four weeks.

7. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for the purchase of switchgear which is used in switching operations and protection of the underground electric distribution system.

Bids were opened on July 13, 2007. The lowest and best complying bidder of two bidders was the firm of S&C Electric Company in the amount of \$42,338.25.

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, award of contract to S&C Electric Company is approved for furnishing:

3 – S&C Electric #55153R3-3097 switchgear at \$14,112.75 each

totaling \$42,338.25; f.o.b. Memphis, Tennessee, our dock; transportation prepaid; said prices being firm; delivery in eight weeks.

8. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for purchase of a process gas chromatograph made in accordance with MLGW specifications dated July 2, 2007. The chromatograph is used to break down gases into their individual components and gives the exact molecular percentage of each component. It also provides the specific gravity and BTU values of the sampled gases.

Although four bids were solicited, only one bid was received on July 12, 2007 from Daniel Measurement and Controls, in the amount of \$42,150.

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, award of contract to Daniel Measurement and Controls is approved for furnishing:

1 – Process Gas Chromatograph made in accordance with MLGW specification dated July 2, 007, Model 500

totaling \$42,150; f.o.b. Memphis, TN, transportation prepaid; delivery in 16 to 18 weeks.

9. The Manager, Procurement and Contracts submitted for consideration of the Board approval to exercise the option to extend the contract for furnishing the Division with crushed limestone which replenishes inventory material for distribution and/or contract crews to use as backfill and construction material for an additional 12-month period.

On August 17, 2006, the Board approved the contract for an initial 12-month period with the option to extend for an additional 12 months, not to exceed 36 months, based on satisfactory performance of the initial 12-month period. The overall price increase equates to approximately 2.5%. This award was made to Fullen Dock and Warehouse.

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, Fullen Dock and Warehouse is hereby awarded contract extension for a period of 12 months

the total amount of this award is approximately \$493,750, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm for the 12-month period with a fuel escalation/de-escalation of \$0.25 per ton for each \$0.25 increase/decrease in the price of diesel fuel as published in the Weekly Retail On-Highway Diesel Prices for the U.S., terms are Net 30 days; delivery as required.

10. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of 36-month blanket contract for the purchase of Construction and Maintenance shirts to furnish MLGW's support areas with uniform shirts that comply with the company's standards.

Bids were opened on June 6, 2007. Although no bids were received which completely met all requirements, the lowest and best complying bidder of three bidders was the firm of Tyndale Company, Inc., in the amount of \$108,150 (approximately) for the first 12 months, with a maximum increase of 5% for the second and third years.

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, award of contract to Tyndale Company, Inc. is approved for furnishing:

7,000 approximately - Tri-Mountain Construction and Maintenance shirts

totaling \$108,150 approximately; f.o.b. Memphis, Tennessee, our dock, transportation prepaid; said price being firm for the first 12 months, with a maximum increase of 5% for the second and third years; delivery in three weeks.

11. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of an expedited procurement request for the purchase of a metal-clad switchgear complex.

Bids were opened on June 27, 2007, with the lowest and best complying bidder of three bidders being the firm of AZZ/Central Electric Manufacturing Company in the amount of \$1,728,531. The metal-clad switchgear complex is to be used in the construction of proposed Substation 85, located at 10512 U.S. Highway 64 in Lakeland.

Furthermore, the expedited procurement request is necessary to meet the in-service date of June 1, 2008 and the summer peak load to prevent brownouts.

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

THAT, Award of contract to AZZ/Central Electric Manufacturing Company as outlined below is ratified and will be submitted to the Council of the City of Memphis for ratification for furnishing:

1 - non-expandable metal-clad switchgear complex with approximately 25 cubicles in accordance with MLGW specification dated May 15, 2007, all for the lump sum price of \$1,728,531, f.o.b. Memphis, Tennessee, our dock, transportation prepaid; said prices being firm; delivery by March, 2007.

12. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for the purchase of spare parts for the reactor cubicle located at Substation 76.

The bid was opened on May 25, 2007. The sole provider of this material is the firm of Magnetic Technologies Corporation in the amount of \$38,407.

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, award of contract to Magnetic Technologies Corporation is approved for furnishing:

1 - lot of spare parts for Magnetic Technologies' reactor cubicle including three-phase, 12470 volt, 463a, 1.24 mH, 95kV BIL, 60 hZ, 80 degree C rise, dry type air-core limiting reactor with copper conductor and nomex insulation (#360266109bc02); copper bus; micata supports and braces; porcelain insulators; and stainless steel hardware

totaling \$38,407; f.o.b. Memphis, Tennessee, transportation prepaid our dock; said price being firm; delivery within 12 weeks.

13. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for the purchase of five one-ton cab and chassis which are used to maintain electric, gas and water systems, and various customer service functions. This equipment replaces existing equipment that will be retired.

Bids were opened on July 11, 2007. The lowest and best complying bidder of four bidders was the firm of Crossroads Ford for five items. The total for all items is \$150,434.07.

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, award of contract to Crossroads Ford is approved for furnishing:

1 - latest model cab and chassis with a 60" cab-to-axle (CA) dimension, all in accordance with MLGW Specification No. TCC-07-1162 at \$27,700.59 each

1 - latest model cab and chassis with an 84" cab-to-axle (ca) dimension, all in accordance with MLGW Specification No. TCC-07-1163 at \$27,865.59 each

1 - latest model crew cab and chassis with a 60" cab-to-axle (ca) dimension, all in accordance with MLGW Specification No. TCC-07-1171 at \$30,880.59 each

1 - latest model crew cab and chassis with 84" cab-to-axle dimension with a 12 ft. enclosed body, all in accordance with MLGW Specification No. TCC-07-5021 at \$42,991.17 each

1 - latest model cab and chassis with a 56" cab-to-axle (ca) dimension with a stake body, all in accordance with MLGW Specification No. TCC-07-5010 at \$20,996.13 each

totaling \$150,434.07; f.o.b. Memphis, Tennessee, our dock, transportation prepaid, said prices being firm; with delivery within 126 days.

14. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for the purchase of two “one bay” steel dead-end structures and four “end bay” steel dead-end structures for use in Collierville Gate Substation No. 86 for termination of 161kV transmission lines.

Bids were opened on July 18, 2007, with the only complying bidder being the firm of Falcon Steel Company. The approximate total cost for this award is \$131,410.

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, award of contract to Falcon Steel Company is approved for furnishing:

2 - one-bay steel dead-end structures for use in an electric substation for termination of 161kv transmission lines and support of suspended equipment as shown on MLGW drawings 86-550, sheet 8-13 in complete accordance with MLGW Specification dated June 15, 2007 approximate black weight 26,545 each, at \$29,483 each

4 - end-bay steel dead-end structures for use in an electric substation for termination of 161kv transmission lines and support of suspended equipment as shown on MLGW drawings 86-550, sheet 8-13 in complete accordance with MLGW Specification dated June 15, 2007, approximate black weight 16,280 each, at \$18,111 each

totaling approximately \$131,410; f.o.b. Memphis, Tennessee, transportation prepaid, our dock, said prices being firm, net 30 days; delivery 90 days after receipt of order.

15. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC for legal services rendered concerning water rights litigation, patents, and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC be retroactive to May 26, 2004 on an “as needed” basis at the following hourly rates:

Shareholder	-	\$210
Associates	-	\$185
Paralegals	-	\$ 95
Leo Bearman, Jr.	-	\$460

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 firm of Baker, Donelson, Bearman, Caldwell & Berkowitz,

PC shall be employed on an “as needed” basis at the hourly rates set forth in the foregoing preamble.

16. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the Bogatin Law Firm for legal services rendered concerning litigation matters.

The Acting Vice President and General Counsel recommends that employment of the Bogatin Law Firm be retroactive to May 26, 2004 on an “as needed” basis at the following hourly rates:

Partner	-	\$175
Associates	-	\$105

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 Bogatin Law Firm shall be employed on an “as needed” basis at the hourly rates set forth in the foregoing preamble.

17. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Evans & Petree PC for legal services rendered concerning pension, insurance and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Evans & Petree PC be retroactive to May 26, 2004 on an “as needed” basis at the following hourly rates:

Partners	-	\$200
Associates	-	\$135-190

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 firm of Evans & Petree PC shall be employed on an “as needed” basis at the hourly rates set forth in the foregoing preamble.

18. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Glankler Brown, PLLC for legal services rendered concerning environmental and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Glankler Brown, PLLC be retroactive to May 26, 2004 on an “as needed” basis at the following hourly rates:

Partner	\$210-250
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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 firm of Glankler Brown, PLLC shall be employed on an “as needed” basis at the hourly rates set forth in the foregoing preamble.

19. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Harris Shelton Hanover Walsh, PLLC for legal services rendered concerning real estate, litigation and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Harris Shelton Hanover Walsh, PLLC be retroactive to May 26, 2004 on an “as needed” basis at the following hourly rates:

Partner	-	\$175-210
Associates	-	\$115
Law Clerks	-	\$35

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 firm of Harris Shelton Hanover Walsh, PLLC shall be employed on an “as needed” basis at the hourly rates set forth in the foregoing preamble.

20. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Kiesewetter Wise, Kaplan Schwimmer & Prather for legal services rendered concerning employment, workers compensation and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Kiesewetter Wise, Kaplan Schwimmer & Prather be retroactive to May 26, 2004 on an “as needed” basis at the following hourly rates:

Partners	-	\$210
Senior Associates	-	\$175
Associates	-	\$150
Paralegals	-	\$ 90

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 firm of Kiesewetter Wise, Kaplan Schwimmer & Prather shall be employed on an "as needed" basis at the hourly rates set forth in the foregoing preamble.

21. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Miller & Martin PLLC for legal services rendered concerning litigation, legislation, regulatory and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Miller & Martin PLLC be retroactive to May 26, 2004 on an "as needed" basis at the following hourly rates:

Member	-	\$310
Associates	-	\$150-210

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 firm of Miller & Martin, PLLC shall be employed on an "as needed" basis at the hourly rates set forth in the foregoing preamble.

22. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Miller, Balis & O'Neil, P.C. for legal services rendered concerning regulatory, contracts, and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Miller, Balis & O'Neil, PC be retroactive to May 26, 2004 on an "as needed" basis at the following hourly rates:

Partners	-	\$375
Associates	-	\$160-290
Law Clerks	-	\$125
Legal Assistants	-	\$100

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 firm of Miller, Balis & O'Neil, P.C. shall be employed on an "as needed" basis at the hourly rates set forth in the foregoing preamble.

23. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of SpenceWalk, PLLC for legal services rendered concerning the Thompson v. MLGW, et al litigation matter.

The Acting Vice President and General Counsel recommends that employment of SpenceWalk, PLLC be retroactive to July 13, 2005 on an “as needed” basis regarding Thompson v. MLGW, et al litigation matters at the following hourly rates:

Partner (Robert Spence)	-	\$210
Associates	-	\$175

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 firm of SpenceWalk, PLLC shall be employed on an “as needed” basis regarding Thompson v. MLGW, et al litigation matters at the hourly rates set forth in the foregoing preamble.

24. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Thomason, Hendrix, Harvey, Johnson & Mitchell, PLLC for legal services rendered concerning litigation and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Thomason, Hendrix, Harvey, Johnson & Mitchell, PLLC be retroactive to May 26, 2004 on an “as needed” basis at the following hourly rates:

Partner	-	\$180
Associates	-	\$130

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 firm of Thomason, Hendrix, Harvey, Johnson & Mitchell PLLC shall be employed on an “as needed” basis at the hourly rates set forth in the foregoing preamble.

25. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Allan J. Wade PLLC, for legal services rendered concerning tax issues, litigation, regulatory and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Allan J. Wade PLLC be retroactive to May 26, 2004 on an “as needed” basis at the following hourly rates:

Allan J. Wade	-	\$225
Senior Associates	-	\$190
Paralegals	-	\$ 90

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 firm of Allan J. Wade PLLC shall be employed on an “as needed” basis at the hourly rates set forth in the foregoing preamble.

26. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Waller Lansden Dortch & Davis for legal services rendered concerning environment, water rights litigation, legislative and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Waller Lansden Dortch & Davis be retroactive to May 26, 2004 on an “as needed” basis at the following hourly rates:

Partner	-	\$240-295
Associates	-	\$240

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 firm of Waller Lansden Dortch & Davis shall be employed on an “as needed” basis at the hourly rates set forth in the foregoing preamble.

27. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for The Wharton Law Firm for legal services rendered concerning litigation and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of The Wharton Law Firm be retroactive to May 26, 2004 on an “as needed” basis at the following hourly rates:

Partner	-	\$210
Associates	-	\$150
Law Clerk	-	\$ 35

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 Wharton Law Firm shall be employed on an "as needed" basis at the hourly rates set forth in the foregoing preamble.

28. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Wiseman Bray PLLC for legal services rendered concerning litigation and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Wiseman Bray PLLC be retroactive to May 26, 2004 on an "as needed" basis at the following hourly rates:

Partners	-	\$140
Senior Associates	-	\$140
Paralegals/Assistants	-	\$ 85

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 firm of Wiseman Bray PLLC shall be employed on an "as needed" basis at the hourly rates set forth in the foregoing preamble.

29. The Acting Vice President and General Counsel submitted for Board approval a rate schedule for the law firm of Wyatt, Tarrant & Combs, LLP for legal services rendered concerning litigation and other legal matters uniquely related to the utility industry.

The Acting Vice President and General Counsel recommends that employment of Wyatt, Tarrant & Combs, LLP be retroactive to May 26, 2004 on an "as needed" basis at the following hourly rates:

Shareholder	-	\$200
Associates	-	\$140
Law Clerk	-	\$ 55

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 firm of Wyatt, Tarrant & Combs, LLP shall be employed on an "as needed" basis at the hourly rates set forth in the foregoing preamble.

30. The Interim Chief Utility Officer submitted for approval of the Board the following position numbers, per the attached documents (see Minute File No. 1296):

Position No. 02187, Clerk, Human Resources II
Position No. 03312, Coordinator, Safety & Technical Training
Position No. 04827, Crew Leader, Directional Drilling (Gas)
Position No. 04875, Procurement Processor
Position No. 05133, Office Clerk
Position No. 05253, Coordinator, Safety & Technical Training
Position No. 05787, Utility Worker II

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

THAT, Position numbers 02187, 03312, 04827, 04875, 05133, 05253 and 05787, as listed in the foregoing preamble are approved.

31. By unanimous consent, Item No. 31, resolution requesting an exception to the Electric Policy Manual, was deleted from the agenda.

32. The Chief Learning Officer of the MLGW University of Memphis Light, Gas and Water Division recommended that the Board approve \$25,000 for support of the Memphis Weekend Academy for 2008-09 and 2009-10 school years with the Academy receiving \$12,500 each school year of the two-year period.

The Memphis Weekend Academy is a community outreach program that supports students of the Memphis City School System. The educational enrichment program serves approximately 40 under achieving inner-city students. The program seeks to stimulate such a zest for learning that students will be motivated to stay in school, reaching their full potential. Weekend Academies are located in Knoxville, Chattanooga, Nashville and Memphis. The Memphis program began as a partnership with the Tennessee Valley Authority, Memphis City Schools and Memphis Light, Gas and Water Division, with most of the funding provided by the Tennessee Valley Authority.

In 1999, Weekend Academy became a 501(c)3 not-for-profit agency with sponsoring organizations providing more of the funding. While Weekend Academy, Incorporated and the Tennessee Valley Authority will continue to support the Memphis academy, Memphis Light, Gas and Water Division, as the local sponsor, will need to increase its financial support to enable the academy to continue in Memphis.

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

THAT, The Memphis Light, Gas and Water Division agrees to provide \$25,000 for continued sponsorship of the Memphis Weekend Academy through the 2009-10 school term which will end its commitment to the schools currently involved in the program. At which time, the success of the program will be evaluated and a decision regarding continued sponsorship will be made with a recommendations to the Board; and further,

THAT, The Chief Learning Officer of the MLGW University is authorized to execute this agreement with all funds remaining in Memphis for support of the Memphis Academy.

33. 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 use by the Water Division, said tract of land being located on the east side of Hall Road, approximately 957.79 feet south of the centerline of Raleigh–LaGrange Road; and

WHEREAS, the Memphis Light, Gas and Water Division has been offered by Shelby County, a Political Subdivision of the State of Tennessee, \$20,000 for the purchase of a 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:

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 Official Record Book under Instrument No. AP-7784 as recorded in the Register's Office in Shelby County, Tennessee:

STARTING AT THE INTERSECTION of the centerlines of Raleigh LaGrange Road (as dedicated in Book 32, Page 51) and Hall Road (Physical centerline of pavement); thence south 0 degrees 48 minutes 34 seconds west with the physical centerline of Hall Road, 957.79 feet; thence north 89 degrees 11 minutes 26 seconds west, 16.5 feet to a set iron pin in the west line of Hall Road and THE POINT OF BEGINNING; thence south 0 degrees 48 minutes 34 seconds west with the west line of Hall Road, 100.00 feet to a set iron pin; thence north 89 degrees 11 minutes 26 seconds west, 240.50 feet to a set iron pin; thence north 0 degrees 48 minutes 34 seconds east, 100.00 feet to a set iron pin; thence south 89 degrees 11 minutes 26 seconds east, 240.50 feet to THE POINT OF BEGINNING and containing 0.552 acres of land, said property being shown on the attached sketch.

SELLER, grants two temporary construction easements over, under, across and upon the tract of land being conveyed at the time of closing; and one additional temporary construction easement across the City of Memphis, for the use and benefit of Memphis Light, Gas and Water Division's property as recorded under Instrument No. AG-4128 in the Register's Office of Shelby County Tennessee, said property being shown on the attached sketch. (See Minute File No. 1296.)

Property located on the east side of Hall Road; approximately 957.79 feet south of the centerline of Raleigh-LaGrange Road.

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

THAT, the Board of Light, Gas and Water Commissioners recommends to the Council of the City of Memphis, the sale of property described in the above preamble to Shelby County, a Political Subdivision of the State of Tennessee, for and in consideration of \$20,000; and further,

THAT, the President or his designated representatives of the Division are hereby authorized to execute the sale of said property.

34. The Manager, Facilities and Loss Prevention, submitted for consideration of the Board, payment of two invoices from General Construction Services in the combined amount of \$14,674 due to the overall project cost exceeding the awarded amount of Contract C1437. Invoice No. 07127 in the amount of \$4,850 was for the removal of asbestos from the Orleans Street storage lot. Invoice No. 07145 in the amount of \$9,824, was for the removal of mold from the Netters Business Center.

The project scope was to perform environmental remediation services, to include mold, lead and asbestos removal, at identified MLGW facilities. This work was authorized without prior approval in order to minimize potential environmental hazards associated with mold and asbestos that could have materialized if the normal procurement process had been followed. The total amount of the work performed in association with Contract C1437 was \$37,174.

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, payment to General Construction Services in the funded amount of \$14,674 as outlined in the foregoing preamble is approved; and further,

THAT, The Secretary-Treasurer or his designated representative is hereby authorized and directed to have a check issued in the amount of \$14,674 payable to General Construction Services.

35. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners ratification of award of Agreement No. C1241, Transmission Level One (T1s) Customer Service Agreement, with PAETEC (formerly US LEC of Tennessee) for internet access via MLGW's corporate network in the annual amount of \$16,500.

The project scope is to provide three T1 lines at a monthly rate of \$450 each for internet access via MLGW's corporate network for a period of three years. The agreement was previously executed on June 7, 2004, in accordance with the signature authority granted by the President. The current total contract amount is \$48,600.

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

THAT, Ratification of Agreement No. C1241, Transmission Level One, with PAETEC in the funded amount of \$48,600, as outlined in the foregoing preamble, is approved and will be submitted to the Council of the City of Memphis for ratification; and further,

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

36. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 4 to Contract No. 10923, Workers' Compensation Claims Administrator, to renew the contract for a fourth term covering the period retroactive to July 1, 2007 through June 30, 2008, at no additional cost. The current value of the contract is \$326,000.

The project scope covers the cost of Brentwood Services Administrators, Inc. to serve as the third-party administrator for workers' compensation claims which includes the issuance of 1099's and state filings, index bureau reporting, monthly loss run reports and check registers, ad hoc custom reports as requested and claims kits with state forms. The administrator covers claims-handling fees which include indemnity and medical-only claims. The services also include cost containment, bill review and loss control. This renewal is at no additional cost and is the fourth renewal. The current contract amount is \$326,000.

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

THAT, Change No. 4 to Contract No. 10923, Workers' Compensation Claims Administrator, with Brentwood Services, Inc. at no additional cost as outlined in the foregoing preamble is approved; and further,

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

37. The Secretary-Treasurer submitted for approval of the Board the revised schedule of fees as listed on the attached schedule for Contract No. 9985 with First Tennessee Bank for providing checking account and other banking services, effective March 1, 2006 (see Minute File No. 1296).

The revised schedule of fees may result in an annual cost of approximately \$25,000 to \$35,000, and represents an approximate 40% overall increase. This is the first increase since entering into said contract in 1991, and the schedule of fees is the same as recently awarded by another large local governmental entity.

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 revised schedule of fees as listed on the attached schedule for Contract No. 9985 with First Tennessee Bank is approved, effective March 1, 2006.

38. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Change No. 3 to Contract No. 10637, Claims and Legal Management System, with Computer Sciences Corporation, in an estimated amount of \$113,058.99.

This change covers the continued provision of maintenance, enhancements, and services during the period August 1, 2007 through July 31, 2010. Prior authority to purchase annual maintenance support provided the cost did not exceed 10% over the previous year's cost was approved by the Board on November 7, 2002.

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. 3 to Contract No. 10637, Claims and Legal Management System, with Computer Sciences Corporation in the amount of \$113,058.99 as outlined in the foregoing preamble is approved; and further,

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

39. Bill Hawkins, Assistant Business Manager, IBEW Local 1288, 4000 Clearpool Circle, addressed the Board regarding various issues.

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

SEE MINUTE FILE NO. 1296.

Secretary-Treasurer