

MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
April 20, 2006

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, April 20, 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; Armstead Ward, Vice President, Human Resources; and Linda Peppers, Vice President and Chief Technology Officer. Diana Veazey, Vice President, Construction and Maintenance; Christopher Bieber, Vice President, Engineering; and James L. Russell, Commissioner, 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 April 6, 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, as follows:

Dated March 21, 2006, Item No. 17, approving the purchase of easement rights from Turner Ashby Wingo, approved by the MLGW Board at meeting held February 16, 2006 (see Minute File No. 1278.)

Dated April 11, 2006, Item No. 10, approving URD secondary cable, approved by the MLGW Board at meeting held March 2, 2006 (see Minute File No. 1279); Item No. 11, approving rental of copiers, approved by the MLGW Board at meeting held February 16, 2006 (see Minute File No. 1278); Item Nos. 12 through 21, approving items approved by the MLGW Board at meeting held March 16, 2006 and Item No. 25, approving purchase of easement from CMH Farms, approved by the MLGW Board at meeting held March 2, 2006 (see Minute File No. 1279.)

Sara Hall, City of Memphis Attorney, appeared before the Board to discuss the MLGW and City of Memphis Medical Plans.

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11073, Collection Services, to Alcon, Inc. with four renewals.

The project scope is to allow Alcon, Inc. to collect monies owed to MLGW on delinquent accounts. The agency shall be permitted to collect, whether by court order or by voluntary payment from the debtors, all costs of collection, including but not limited to attorneys' fees, such fees to constitute an amount up to 25% of the indebtedness, unless otherwise ordered or permitted by a court of competent jurisdiction. The estimated one-year fee total to be paid from the collection of delinquent accounts is \$220,000.

Ten proposals were opened on October 21, 2005 for Contract No. 11073, Collection Services, with Alcon, Inc. being selected to receive 25% of the work under Contract No. 11073.

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

THAT, Award of Contract No. 11073 to Alcon, Inc., 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 award of Contract No. 11075, Community Office Pay Stations, to Info Touch Technologies Corporation in the funded amount of \$131,570.

The project scope is to allow Info Touch to provide all implementation services and software configuration services necessary to install seven pay stations at designated MLGW locations to replace the Diebold pay stations as a result of Diebold discontinuing pay station services. The pay stations will allow MLGW's customers to make utility bill payments 24 hours per day, 365 days per year. It is further recommended that staff be allowed to purchase annual hardware and software maintenance provided the cost does not exceed 10% over the prior year's cost. The present maintenance cost is \$21,840.

One proposal was received and opened on October 21, 2005 for Contract No. 11075, Community Office Pay Stations, with the one bidder being Info Touch Technologies Corporation.

It was moved by Commissioner Clark, 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 No. 11075 to Info Touch Technologies Corporation in the funded amount of \$131,570, as outlined in the foregoing preamble, is approved; and further,

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

3. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11092, Over-The-Phone Interpreter Service, to Language Line Services, Inc. in an estimated funded amount of \$16,000, with four renewal terms.

The project scope is to provide over-the-phone interpreter services for non-English speaking customers of MLGW. The vendor shall provide real-time interpreter services 24 hours per day, seven days per week.

Proposals were received on February 17, 2006 for Contract No. 11092, Over-The-Phone Interpreter Service, with the best proposal of three proposals being Language Line Services, Inc.

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

THAT, Award of Contract No. 11092 to Language Line Services, Inc. in an estimated funded amount of \$16,000 as outlined in the foregoing preamble is approved; and further,

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

4. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11124, Collection Services, to Hanna & Associates, Inc. with four renewal terms.

The project scope is to allow Hanna & Associates, Inc. to collect monies owed to MLGW on delinquent accounts. The agency shall be permitted to collect, whether by court order or by voluntary payment from the debtors, all costs of collection, including but not limited to attorneys' fees, such fees to constitute an amount up to 25%

of the indebtedness, unless otherwise ordered or permitted by a court of competent jurisdiction. The estimated one-year fee total to be paid from the collection of delinquent accounts is \$220,000.

Ten proposals were received on October 21, 2005 for Contract No.11073, Collection Services, with Hanna & Associates, Inc. being selected to receive 25% of the work as awarded under Contract No. 11124.

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

THAT, Award of Contract No. 11124 to Hanna & Associates, Inc. as outlined in the foregoing preamble is approved; and further,

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

5. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11125, Collection Services, to NCO Financial Systems, Inc. with four renewal terms.

The project scope is to allow NCO Financial Services, Inc. to collect monies owed to MLGW on delinquent accounts. The agency shall be permitted to collect, whether by court order or by voluntary payment from the debtors, all costs of collection, including but not limited to attorneys' fees, such fees to constitute an amount up to 25% of the indebtedness, unless otherwise ordered or permitted by a court of competent jurisdiction. The estimated one-year fee total to be paid from the collection of delinquent accounts is \$220,000.

Ten proposals were opened on October 21, 2005 for Contract No.11073, Collection Services, with NCO Financial Systems, Inc. being selected to receive 25% of the work as awarded under Contract No. 11125.

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

THAT, Award of Contract No. 11125 to NCO Financial Systems, Inc. as outlined in the foregoing preamble is approved; and further,

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

6. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11126, Collection Services, to Professional Collections Network, Inc., with four renewal terms.

The agency shall be permitted to collect, whether by court order or by voluntary payment from the debtors, all costs of collection, including but not limited to attorneys' fees, such fees to constitute an amount up to 25% of the indebtedness, unless otherwise ordered or permitted by a court of competent jurisdiction. The estimated one-year fee total to be paid from the collection of delinquent accounts is \$220,000.

Ten proposals were opened on October 21, 2005 for Contract No.11073, Collection Services, with Professional Collections Network, Inc. being selected to receive 25% of the work as awarded under Contract No. 11126.

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

THAT, Award of Contract No. 11126 to Professional Collections Network, Inc. as outlined in the foregoing preamble is approved; and further,

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

7. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners Change No. 7 to Contract No. 10840, Temporary Personnel Services, with Kelly Services, Inc. in an estimated funded amount of \$2,800,000.

The project scope has changed to renew the contract for the fourth term of four renewal terms to continue to provide temporary personnel services for the period June 5, 2006 to June 4, 2007. The scope provides temporary employees for special projects ending on assignment completion date and positions until short-term vacancies are filled. This change renews the contract with no increase in the standard and payrolling labor rates in an estimated funded amount of \$2,800,000.

It was moved by Commissioner Clark, 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. 7 to Contract No. 1840 with Kelly Services, Inc. in an estimated funded amount of \$2,800,000, as outlined in the foregoing preamble, is approved; and further,

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

8. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for fiber optical ground wire which is used by transmission 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 36 months. During the length of this contract, quantities will be driven based on actual need for fiber optical ground wire.

Bids were opened on March 22, 2006. The lowest and best complying bidder of three bidders was Brugg Cables, LLC. The approximate total for all items is \$533,050.

It was moved by Commissioner Clark, 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 is approved as follows:

36-month blanket contract for providing fiber optic ground wire to be furnished by Brugg Cables, LLC 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 the supplier. A copy of all unit prices will be placed on file in MLGW's Accounting Department

the total award for 36 months amounts to approximately \$533,050, f.o.b., Memphis, Tennessee, transportation prepaid; said prices being firm for the first 12-month period with a maximum increase of 5% per subsequent 12-month period with metals escalation/de-escalation to be applied over the 36-month period as applicable; terms are net 30 days; delivery as required.

9. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for polyethylene pipe (sizes range ½" – 8") and butt fusion fittings (sizes range 1" - 8") which replenishes inventory material for distribution and/or contract crews to install and/or maintain electric, gas or water systems.

Bids were received on March 22, 2006. The lowest and best complying bidder of four bidders was Action Chemical in the amount of \$756,993.47.

It was moved by Commissioner Clark, 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 to Action Chemical is approved for furnishing:

Polyethylene pipe (sizes range ½” – 8”) and butt fusion fittings (sizes range 1” – 8”)

totaling \$756,993.47, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm until July 31, 2006; delivery in two weeks for pipe, and five to seven working days for fittings.

10. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for paper lead cable which replenishes inventory material for distribution and/or contract crews to install and/or maintain the electric system.

Bids were opened on March 29, 2006. The lowest and best complying bidder of two bidders was The Okonite Company. The approximate total is \$273,256.80.

It was moved by Commissioner Clark, 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 to The Okonite Company is approved for furnishing the Division with:

9,600 ft. (12 – 800 ft. reels of three-phase assembly with a combined total of 28,800 ft.) – single conductor, 500 KCMIL solid-type impregnated paper-insulated lead-covered and polyethylene jacketed cable, made in accordance with MLGW Specification No. 35-5038 dated September 1, 1999, at \$28.308 per ft. of three-phase assembly

6 – samples of specified cable as required, at \$100 each

12 – pulling eyes for each length of cable as required, at \$75 each

totaling \$273,256.80, approximately; f.o.b. Memphis, Tennessee, transportation prepaid; terms ½ of 1% - 10 days, net 30; said price based on metals escalation; with delivery in 12 weeks.

11. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for air compressors which are used by distribution crews when installing and/or maintaining electric, gas and water systems. This equipment replaces existing equipment that will be retired.

Bids were opened on March 15, 2006. The lowest and best complying bidder of three bidders was Williams Equipment and Supply in the amount of \$138,400.

It was moved by Commissioner Clark, 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 to Williams Equipment and Supply is approved for furnishing:

8 – latest model solar diesel powered, rotary screw, 185 cfm portable air compressors with dual pressure output, assembled and ready for operation by the Division, all in accordance with MLGW Specification No.TPAC-06-0270, at \$17,300 each

totaling \$138,400; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery 18 weeks after receipt of order.

12. The Manager, Procurement and Contracts submitted for consideration of the Board analysis of bids received up to 4:00 p.m., Tuesday, March 14, 2006, for furnishing the Division with one pole trailer.

The Board was advised that although multiple bids were solicited, only one was received, that being from Pro-Fleet Truck Sales which does not meet MLGW's specifications. It is therefore recommended that the bid received be rejected and re-bid at a later time.

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

THAT, The bid for furnishing the Division with one pole trailer be and is hereby rejected.

13. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for AppWorx software license and maintenance.

The proposal was received from AppWorx Corporation, who is the sole provider of this software, on December 29, 2005, in the amount of \$69,360. AppWorx is a software product used for automated job scheduling. MLGW currently utilizes the AppWorx software to support the Customer Information System (CIS). The new licenses will extend MLGW's use of this technology to the Human Resource and Payroll components of the Oracle eBusiness Suite. Also, standardization on the AppWorx product will insure consistency of technology and leverage pre-existing training and technical support experience to the greatest extent possible.

It is requested that staff be allowed to renew all AppWorx software maintenance on an annual basis as long as the cost does not exceed 5% of the prior year's cost. Maintenance on AppWorx currently owned by MLGW amounted to \$11,993 for the period December 20, 2005 through December 19, 2006.

It was moved by Commissioner Clark, 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 to AppWorx Corporation is approved for furnishing:

1 – AppWorx Oracle Applications Extension license, at \$50,000

1 – AppWorx UNIX Agent License for one Production server, at \$19,000

1 – AppWorx UNIX Agent for one Test server, at \$19,000

Support and upgrade service for the initial 12 months, at \$11,560, with a total discount of \$30,200

Maintenance renewal on all AppWorx Software being utilized by MLGW is approved for each subsequent year provided the cost does not exceed 5% of the prior year's cost

totaling \$69,360, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery as required.

14. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of an extension on contracts with Minolta Corporation and Pitney-Bowes Office Systems/Imagistics for rental of copiers for a period not to exceed 60 days.

The extension is necessary to allow sufficient time for the Council of the City of Memphis to approve the Minutes of their April 11, 2006 meeting. The contracts currently in place for the rental of copiers used throughout the Division expired August 1, 2005. The Board previously approved extensions on August 4, 2005 and December 15, 2005. The approximate cost of the extension is \$9,600 per month for a total of approximately \$19,200.

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

THAT, Extension of contract with Minolta Corporation in the amount of \$10,412 approximately is approved; and further,

THAT, Extension of contract with Pitney-Bowes Office Systems/Imagistics in the amount of \$8,788 approximately is approved.

The total amount of the extension is \$19,200.

15. On February 16, 2006, the Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of 36-month contract for rental of five high-volume copy machines. Since that time, MLGW has

received a request from Ikon Office Solutions that they be allowed to withdraw their bid based on an error in their pricing. It is therefore recommended that they be allowed to withdraw their bid and the contract be awarded to the next lowest bidder, Nova Copy, Inc.

These copy machines will be utilized in various departments throughout the Division as document management system input devices and are being replaced because the current contracts are expiring. A request for an additional copier has also been received; therefore, we now request that approval for this copier be increased from five to six. The cost for the additional copier amounts to \$23,220. The total additional cost amounts to \$37,080. The approximate total for this item will now be \$139,320.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Ikon Office Solutions is allowed to withdraw their bid and award of contract to Nova Copy, Inc. is approved for furnishing:

36-month blanket contract for rental of six Konica Minolta Bizhub 750 copy machines at the rate of \$0.0129 per copy, for monthly expected usage of 50,000 copies per machine; including network and faxing capabilities at no charge; totaling \$645 per month per copier

the total 36-month contract is approximately \$139,320; said prices being firm the entire term of this contract; delivery as required.

16. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for IBM WebSphere MQ software licenses. Additional WebSphere MQ software licenses are being purchased to satisfy the needs of the Oracle eBusiness Suite Environment. The WebSphere MQ software product is used to create application interfaces between the MSS and the Oracle eBusiness Suite. Five CPU licenses are being purchased to satisfy requirements for testing and development, and eight CPU licenses are being purchased for the production environment.

Bids were opened on March 29, 2006. The lowest and best complying bidder of three bidders was Venture SystemSource, Inc. in the amount of \$66,300.

It was moved by Commissioner Clark, 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 to Venture SystemSource, Inc. is approved for furnishing:

13 – IBM WebSphere MQ software licenses, at \$5,100 each

totaling \$66,300, f.o.b. Memphis, Tennessee, transportation prepaid; said price being firm; delivery in two weeks after receipt of order.

17. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing pre-fabricated, hazardous materials/chemical outdoor storage buildings. These buildings will be utilized at various locations of the Division for safe storage of hazardous waste, paint, gas, diesel, PCB's, mercury, mineral spirits and roofing materials that cannot be disposed of in a landfill.

Bids were opened on April 4, 2006. The lowest and best complying bidder of four bidders was New Pig Corporation in the amount of \$47,101.

It was moved by Commissioner Clark, 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 to New Pig Corporation is approved for furnishing:

10 – A & A Securall B600XFR2 hazardous materials/chemical outdoor storage buildings to be furnished in accordance with MLGW specifications, at \$4,710.10 each

totaling \$47,101, f.o.b. factory, transportation prepaid; said price being firm; delivery in six weeks.

18. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing the Division with printing and mailing services for the EPA-required Consumer Confidence Report (Water Quality). The EPA requires community water systems to prepare and provide to their customers annual consumer confidence reports on the quality of the water delivered by the systems.

Bids were opened on April 5, 2006. The lowest and best complying bidder of five bidders was Direct FX Solutions in the amount of \$45,181.

It was moved by Commissioner Clark, 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 to Direct FX Solutions is approved for furnishing:

260,000 (approximately) – MLGW Water Quality Reports to be printed in accordance with MLGW specifications, at \$36,601 all

Addressing and mailing services to be furnished in accordance with MLGW specifications, at \$8,580 all

totaling \$45,181, f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery as required.

19. The President submitted for approval of the Board the following position numbers, per the attached documents: (See Minute File No. 1280.)

Position No. 00073, Lineman
 Position No. 00270, Lineman
 Position No. 00766, Helper, Electric Distribution (Pre-Apprentice)
 Position No. 01192, Lineman
 Position No. 01213, Utility Worker I
 Position No. 01375, Utility Worker II
 Position No. 01462, Apprentice Lineman
 Position No. 01531, Procurement Specialist
 Position No. 01720, Apprentice Lineman
 Position No. 01993, Utility Worker II
 Position No. 02497, Utility Worker I
 Position No. 02636, Lineman
 Position No. 03209, Lineman
 Position No. 03276, Lineman
 Position No. 03741, Utility Worker II
 Position No. 04723, Lineman
 Position No. 05060, Lineman
 Position No. 05813, Utility Worker II
 Position No. 06034, Computer Software Specialist II
 Position No. 06071, Computer Software Specialist I
 Position No. 06102, Lineman
 Position No. 06103, Systems Operator II

The President further requested that approval of Position No. 01457, Helper, Electric Distribution, approved by the MLGW Board on April 6, 2006, be rescinded.

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

THAT, Position numbers 00073, 00270, 00766, 01192, 01213, 01375, 01462, 01531, 01720, 01993, 02497, 02636, 03209, 03276, 03741, 04723, 05060, 05813, 06034, 06071, 06102 and 06103, as listed in the foregoing preamble, are approved; and further,

THAT, Approval of Position No. 01457, approved by the MLGW Board on April 6, 2006, is rescinded.

20. The Vice President, Engineering submitted for consideration of the Board W. R. No. C3H93446, to transfer capital funds in the total amount of \$60,000 for the

acquisition of two well lots in the Morton Water Pumping Station well field, to install water production wells that will supply source water to the water treatment plant pumping station.

Funds in the total amount of \$60,000 will be taken from the 2006 Budget, Item 43-5, "Emergency Generator," Sheahan Pumping Station.

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

THAT, W. R. No. C3H93446 in the total amount of \$60,000 as outlined in the foregoing preamble is approved.

21. The Manager, Electric Engineering presented for consideration of the Board a Contract of Sale for the purchase of property from Ross-McGowan Properties, L.P., for a proposed Gate Station 91, said property being shown on the attached sketch (see Minute File No. 1280) and more particularly described as follows:

BEING THE SAME PROPERTY conveyed to Ross-McGowan Properties, L.P. , by deed of record as described in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument GF-6250, Tract 2 and part of Tract 1, said property being shown on the attached sketch and described as Follows:

BEGINNING at a found railroad spike in the centerline of existing pavement in Stewart Road, said point being the northeast corner of said property recorded in Instrument No. GF-6250, Tract 2 and being in the west line of the Dawne Denise Jones property recorded in Instrument No. GT- 3557; thence south 07 degrees 13 minutes 51 seconds east along the east line of said property recorded in Instrument No. GF-6250, Tract 2 and Tract 1, 3334.60 feet to a found 6" pipe at the southwest corner of said property recorded in Instrument No. GT-3557 and being in the north line of a 100' wide easement recorded in Instrument No. K4-5796; thence south 76 degrees 09minutes 52 seconds west along the north line of the Shelby County, Tennessee property recorded in Instrument No. J7-5393, Tract A (Circuit Court Decree No. 22932) and the north line of said 100' wide easement recorded in Instrument No. K4-5796, 932.87 feet to a set 1/2" rebar with plastic cap in the west line of said property recorded in Instrument No. GF-6250, Tract 1, the north line of said property recorded in Instrument No. J7-5393, Tract A (Circuit Court Decree No. 22932) and the east line of the Lester Needham and Mary L. Needham (Trustees) and Mary L. Needham and Lester E. Needham (Trustees) property recorded in Instrument No. HB-9453; thence north 07 degrees 27 minutes 12 seconds west along the west line of said property recorded in Instrument No. GF-6250, Tract 1 and the east line of said property recorded in Instrument No. HB-9453 passing a found railroad spike in the centerline of existing pavement in said Stewart Road at 3237.83 feet and continuing for a total distance of 3293.19 feet to a found axle at the northwest corner of said property recorded in Instrument No. GF-6250, Tract 1 and in the south line of the Lewis V. Ramsey and wife Sherryl A. Ramsey property recorded in Instrument No. X9-2439; thence north 82 degrees 35 minutes 53 seconds east along the north line of said property recorded in Instrument No. GF-6250, Tract 1 and along the south line of said property recorded in Instrument No. X9-2439, 253.90 feet to a set cotton picker spindle in the centerline of existing pavement in said Stewart Road, said

point being the southwest corner of said property recorded in Instrument No. GF-6250, Tract 2; thence north 70 degrees 30 minutes 34 seconds east along the north line of said property recorded in Instrument No. GF-6250, Tract 2 and along the centerline of exiting pavement in said Stewart Road, 701.57 feet to the POINT OF BEGINNING and containing 3,073,793 square feet or 70.564 acres of land.

Property located on the south side of Stewart Road, immediately opposite of Palomino Road.

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

THAT, The Board of Light, Gas and Water Commissioners recommends to the Council of the City of Memphis, the purchase of property described in the above preamble from Ross-McGowan Properties, L.P., for and in consideration of \$564,512 to be funded from the Electric Division included in the 2006 Electric Capital Budget; and further,

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

22. WHEREAS, appropriate departments of the Engineering Division and the Vice President, Engineering approved the release of utility easements as follows:

PORTION of a 5-foot-wide distribution utility easement as recorded under Instrument No. 02160632 in the Register's Office of Shelby County, Tennessee across Lot 37, Phase 2 Landsdowns Place P.U.D as recorded in Plat Book 111, Page 6 to Old Manor Homes, Inc. or its successor in a title for the sum of \$1.00.

Property addressed as 1957 Arden Landing South Cove, Germantown, Tennessee.

AN 8-foot-wide electric distribution utility easement recorded in Book 1919, Page 494 in the Register's Office of Shelby County, Tennessee across a tract of land described under Instrument No. 03244776 in the Register's Office of Shelby County, Tennessee to Chamberlain and McCreery or their successors in title, for the sum of \$1.00.

Property located on the northeast corner of Billy Mayer Road and Fiske Road.

Two 5-foot-wide multi-purpose utility easements recorded in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument No. HU-6943 across Lots 26 & 27, Oak Forest Ridge Subdivision and being the same property as shown on plat of record in Plat Book 174, Page 75 in the Register's Office of Shelby County, Tennessee to Jasper R. Rainey and wife, Jimmie Janet Rainey or their successors in title, for the sum of \$1.00.

Property located on the north side of St. Elmo Road, opposite Brook Trail Lane and addressed as 6288 and 6298 St. Elmo Road, Memphis, TN 38135.

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

THAT, Partial release of easement 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 the appropriate release deed be executed releasing said portion of easement to the current property owner for a consideration of \$1.00 each.

23. The General Counsel submitted to the Board the March 31, 2006 Quarterly Report of the Customer Advocate Committee. It is recommended that the Board approve and uphold the decisions reflected therein.

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

THAT, The attached March 31, 2006 Quarterly Report of the Customer Advocate Committee is approved and will be upheld by the Board. (See Minute File No. 1280.)

24. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners approval of Expedited Procurement Request for Change No. 8 to Contract No. 10737, Courier Services, with Express Courier, Inc. for additional funds to pay pending and future invoices in an estimated funded amount of \$50,000 over a 90-day time period at which time a new contract will be in effect.

The project scope has changed because the initial budgeted funds for the courier contract have been exhausted due to various added mail stops and field instruments pick ups and deliveries. Inclement weather conditions also contributed to the increase in courier services, therefore, additional funds are requested. The new contract amount is \$644,922.19.

It was moved by Commissioner Clark, 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. 8 to Contract No. 10737 with Express Courier, Inc. in an estimated funded amount of \$50,000 is approved; and further,

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

25. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners Change No. 5 to Contract No. 10857, LNG Property/Boiler and Machinery Insurance, with Hilb Rogal and Hobbs, to renew the policy for the period June 1, 2006 to May 31, 2007, in the funded amount of \$297,835.

The project scope is to provide insurance coverage to MLGW's LNG Plants located in Arlington and Capleville on boilers and machinery. The new contract amount is \$1,913,094.

It was moved by Commissioner Clark, 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. 5 to Contract No. 10857 with Hilb Rogal and Hobbs in the funded amount of \$297,835 as outlined in the foregoing preamble is approved; and further,

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

26. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners Change No. 5 to Contract No. 10858, All Risk Property Insurance, with Factory Mutual Insurance Company, Inc., to renew the policy for the period June 1, 2006 to May 31, 2007, in the funded amount of \$1,106,446.

The project scope is to provide insurance coverage for various functions and locations at MLGW. The new contract amount is \$6,017,420.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Change No. 5 to Contract No. 10858 with Factory Mutual Insurance Company, Inc. in the funded amount of \$1,106,446, as outlined in the foregoing preamble, is approved; and further,

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

27. On February 16, 2006, the Board of Light, Gas and Water Commissioners approved an award for 12" polyethylene pipe to be used in MLGW's distribution system. The original award was to M. T. Deason, and they have been advised by the manufacturer that they are unable to provide the pipe resin in accordance with MLGW specifications. Therefore, staff recommends the cancellation of Purchase Order No. 127226 and award be made to the next lowest and best complying bidder, Performance Pipe, in the amount of \$40,331.37.

It was moved by Commissioner Clark, 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 to M. T. Deason is rescinded, and award of contract to Performance Pipe is approved for furnishing:

2,496 ft. – 12” polyethylene pipe in accordance with MLGW specifications

the total award amounts to \$40,331.37; f.o.b. Memphis, Tennessee, our dock, transportation prepaid.

28. The Secretary-Treasurer stated that the Pension Board had approved amendments to the Memphis Light, Gas and Water Division Retirement and Pension System, as amended and restated effective January 1, 2001.

The amendments are to Article VI – Retirement and Termination Benefits and Article VIII – Death Benefits.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, the Memphis Light, Gas and Water Division Retirement and Pension System is hereby amended as follows:

1. Article VI, RETIREMENT AND TERMINATION BENEFITS, Section 6.1(b) shall be deleted in its entirety and the following Section 6.1(b) shall be substituted therefor:

(b) Minimum Benefit. Effective on the later of (i) January 1, 2006, or (ii) the first day of the month following the effective date of this amendment as set forth in Section 11.1(a)(3), the minimum monthly Normal Retirement Benefit, after taking into account the effect of any Cost of Living Adjustment under §6.6, and after taking into account any one-time adjustment provided in Article VI herein, shall be an amount equal to the greater of:

(1) \$44 multiplied by the number of full Years of Service completed by the Participant; or

(2) \$440.

2. Article VI, RETIREMENT AND TERMINATION BENEFITS, Section 6.3(b) shall be deleted in its entirety and the following Section 6.3(b) shall be substituted therefor:

(b) Minimum Benefit. Effective on the later of (i) January 1, 2006, or (ii) the first day of the month following the effective date of this amendment as set forth in Section 11.1(a)(3), the minimum monthly Ordinary Disability Benefit, after taking into account the effect of any Cost of Living Adjustment under §6.6, and after taking into account any one-time adjustment provided in Article VI herein, shall be an amount equal to the greater of:

(1) \$44 multiplied by the number of full Years of Service completed by the Participant; or

(2) \$440.

3. Article VI, RETIREMENT AND TERMINATION BENEFITS, Section 6.4(b) shall be deleted in its entirety and the following Section 6.4(b) shall be substituted therefor:

(b) Minimum Benefit. Effective on the later of (i) January 1, 2006, or (ii) the first day of the month following the effective date of this amendment as set forth in Section 11.1(a)(3), the minimum monthly Disability in Line of Duty Retirement Benefit, after taking in to account the effect of any Cost of Living Adjustment under §6.6, and after taking into account any one-time adjustment provided in Article VI herein, shall be an amount equal to the greater of:

(1) \$44 multiplied by the number of full Years of Service completed by the Participant; or

(2) \$440.

4. Article VI, RETIREMENT AND TERMINATION BENEFITS, Section 6.6 shall be amended by adding the following subparagraph (d) to Section 6.6:

(d) 2005 Adjustments to Retiree Benefits. Effective the first day of the month following the effective date of this amendment as set forth in Section 11.1(a)(3) (for purposes of this subsection, the "Effective Adjustment Date"), each Retired Participant, who retired on or prior to the date of retirement as specified below, shall receive a one time adjustment to his or her monthly retirement benefit, in the amount based upon his or her date of retirement, as follows. This one time adjustment shall increase the monthly retirement benefit payable to the Retired Participant under the Plan from and after the Effective Adjustment Date.

<u>Date of Retirement</u>	<u>Monthly Adjustment Amount</u>
1984 and prior years	\$150
1985	\$100
1986	\$100
1987	\$100
1988	\$100
1989	\$100
1990	\$100
1991	\$100
1992	\$100
1993	\$ 50
1994	\$ 50

Adjustments applicable to Death Benefits are set forth in Article VIII hereof.

5. Article VIII, DEATH BENEFITS, Section 8.1, subsection (b) shall be amended by adding the following sentences as the last sentences of said subsection (b):

Notwithstanding anything in Section 8.5 hereof to the contrary, any minimum benefit provided hereunder to a Handicapped Child shall be one-half (1/2) of the minimum benefit provided hereunder to a Child. Notwithstanding the foregoing, if a Handicapped Child is also a Full-Time Student, said Handicapped Child shall receive the minimum benefit provided hereunder to a Child who is a Full-Time Student until such time that the Handicapped Child is no longer a Full-Time Student.

- 6.** Article VIII, DEATH BENEFITS, Section 8.3 shall be amended by adding the following paragraphs as the third and fourth paragraphs of Section 8.3:

Effective the first day of the month following the effective date of this amendment as set forth in Section 11.1(a)(3) (for purposes of this Section, the "Effective Adjustment Date"), each Surviving Spouse receiving a Death Benefit shall receive a one time adjustment to such monthly Death Benefit equal to the applicable monthly adjustment amount set forth in such Section 6.6(d) based on the date of retirement of the Participant on whose benefit said Surviving Spouse's Death Benefit is based. This one time adjustment shall increase the monthly Death Benefit payable to the Surviving Spouse under the Plan from and after the Effective Adjustment Date.

Effective the Effective Adjustment Date, a Child receiving a Death Benefit shall receive a one time adjustment to such monthly Death Benefit equal to the applicable monthly adjustment amount set forth in such Section 6.6(d) based on the date of retirement of the Participant on whose benefit said Child's Death Benefit is based; provided, however, that if more than one Child or Handicapped Child of the Participant is receiving a Death Benefit based on the Participant's death, the one time adjustment shall be prorated among the children of the Participant receiving Death Benefits so that said Death Benefit of each Child and/or Handicapped Child, as the case may be, shall be increased by only said Child's and/or Handicapped Child's prorata share of such one time adjustment. This one time adjustment shall increase the monthly Death Benefit payable to the Child under the Plan from and after the Effective Adjustment Date.

Effective the Effective Adjustment Date, a Handicapped Child receiving a Death Benefit shall receive a one time adjustment to such monthly Death Benefit equal to one half (1/2) of the applicable monthly adjustment amount applicable to a Child as set forth above; provided, however, that if more than one Handicapped Child or Child of the Participant. is receiving a Death Benefit based on the Participant's death, the one time adjustment shall be prorated among the children of the Participant receiving Death Benefits so that said Death Benefit of each Handicapped Child and/or Child, as the case may be, shall be increased by only said Handicapped Child's and/or Child's prorata share of such one time adjustment.. This one time adjustment shall increase the Death Benefit payable to the Handicapped Child under the Plan from and after the Effective Adjustment Date.

- 7.** Article VIII, DEATH BENEFITS, Section 8.4, subsection (a), shall be amended by adding the following sentence as the last sentence of said subsection (a):

Notwithstanding anything in Section 8.3 or 8.5 hereof to the contrary, a beneficiary receiving a Death Benefit attributable to a Participant's Deferred Vested Benefit shall not be entitled to a minimum benefit or a one time adjustment to his/her monthly Death Benefit.

- 8.** Article VIII, DEATH BENEFITS, Section 8.5 shall be deleted in its entirety and the following Section 8.5 substituted therefor:

Notwithstanding anything in §§8.2 and 8.3 to the contrary, effective on the later of (i) January 1, 2006, or (ii) the first day of the month following the effective date of this amendment as set forth in Section 11.1(a)(3), the minimum Death Benefit, after taking into account the effect of any Cost of Living Adjustment under §8.1(c) and after taking into account any one-time adjustment provided in Article VI herein, but subject to any

limitation in §8.4(a) and §8.1(b), shall be an amount equal to the greater of:

(1) \$44 multiplied by the number of full Years of Service completed by the Participant; or

(2) \$440;

provided, however, that if more than one Child or Handicapped Child of the Participant is receiving a Death Benefit based on the Participant's death, the applicable minimum Death Benefit amount shall be prorated among the children of the Participant receiving Death Benefits so that said Death Benefit of each Child and/or Handicapped Child, as the case may be, shall be increased by only said Child's and/or Handicapped Child's prorata share of such minimum Death Benefit.

IN WITNESS WHEREOF, the Memphis Light, Gas and Water Division caused this Amendment to the Plan to be executed by its duly authorized officer, all as of the date first written above.

29. The Secretary-Treasurer stated that the Pension Board had approved the following amendment to the Memphis Light, Gas and Water Division Retirement and Pension, as amended and restated effective January 1, 2001 (the "Plan"). He further stated that this supersedes the resolution approved by the MLGW Board at meeting held January 19, 2006.

The amendment is to Article VII, Section 7.7.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, the Memphis Light, Gas and Water Division Retirement and Pension System is hereby amended as follows:

1. ARTICLE VII, PAYMENT OF BENEFITS, Section 7.7 shall be amended by deleting such section in its entirety and substituting in its place thereof the following:

In the event a Participant or Beneficiary becomes entitled to benefits under Article VI and the Pension Board is unable to locate the Participant or Beneficiary (after sending a letter, return receipt requested, to the Participant's or Beneficiary's last known address, and after such further diligent efforts as the Pension Board in its sole discretion deems appropriate), such benefits shall remain in the Fund until such Participant or Beneficiary is located or until the sixtieth (60th) day following determination by the Pension Board that all diligent efforts to locate the Participant or Beneficiary have been exhausted without success (the "Alternative Distribution Date"). After the Alternative Distribution Date has occurred without location of the Participant or Beneficiary, then the benefits shall be deemed to have been forfeited and the Plan shall have no liability to any person with respect to such benefits. In the event subsequent to such forfeiture the Participant or Beneficiary is located and requests his/her benefit, such benefit shall be reinstated and distributed in accordance with the terms and provisions of the Plan.

30. The Secretary-Treasurer stated that the Pension Board had approved the following amendments to the Memphis Light, Gas and Water Division Retirement and Pension System, as amended and restated effective January 1, 2001 (the "Plan"). He further stated that this supersedes the resolution approved by the MLGW Board at meeting held January 19, 2006.

The amendments are to Article VI – Section 6.9(a) and Article VII – Section 7.1.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, the Memphis Light, Gas and Water Division Retirement and Pension System is hereby amended as follows:

1. ARTICLE VI, RETIREMENT AND TERMINATION BENEFITS, Section 6.9(a) shall be amended by deleting the first paragraph and substituting in its place thereof the following:

(a) Termination of Employment. If a Participant terminates employment with the Division before becoming vested in his or her Accrued Benefit or becoming eligible for Disability benefits, the Participant shall be entitled to receive a multiple of the Participant's Accumulated Participant Contributions, without interest or earnings thereon, based on the Participant's Years of Service as set forth in the table below. Payment of such Accumulated Participant Contribution, without interest or earnings thereon, shall be made to the Participant upon the Participant's written request therefor. If the Participant does not consent in writing to the distribution of his or her Accumulated Participant Contributions as provided hereinabove, such Accumulated Participant Contributions shall remain in the Fund, but shall not accrue interest or earnings thereon from the date the Participant first became entitled to receive such distribution. Such retained Accumulated Participant Contributions shall be subject to distribution, without interest or earnings thereon, to the Participant at any time upon Participant's written consent. If the Participant has filed a grievance in connection with the Participant's termination of employment, the Participant shall have the right to withhold consent to distribution until the arbitration of such grievance is completed and a final decision is rendered thereon or until such other time as the Participant files written consent to such distribution. The Plan Administrator, in accordance with its procedures as from time to time in effect, may distribute death benefits under Section 6.9(b) hereof to the eligible Beneficiaries thereof, as determined in accordance with the terms and provisions of this Plan, with or without written consent of said Beneficiaries, unless such written consent is otherwise required by applicable law; and

2. ARTICLE VII, PAYMENT OF BENEFITS, Section 7.1 shall be amended by deleting such section in its entirety and substituting in its place thereof the following:

The regular form of benefit under the Plan shall consist of monthly payments for the life of a Participant or Beneficiary, as determined in accordance with Article VI. Although all benefit payments shall be calculated on a monthly basis, such payments shall be made in equal semi-monthly installments unless the Pension Board determines otherwise.

Notwithstanding the foregoing or anything else in the Plan to the contrary, if the monthly benefit payable to any person under the Plan is less than \$100 per month, the Pension Board, in its discretion, may determine that payments shall be made less frequently than monthly or if the Actuarial Equivalent of the total benefit payable to such person is \$1,000 or less, such benefit may be paid without consent in an Actuarial Equivalent single lump-sum, cash-out distribution.

31. By a three to one vote, Item No. 31, amendment to the MLGW Retirement and Pension Plan to include a buy-back option for eligible employees to purchase prior Division service time under certain limited conditions, failed.

32. Dr. Claudine A. Moore, 1984 Dunn Road, appeared before the Board to discuss various matters.

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

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

SEE MINUTE FILE NO. 1280.

Secretary-Treasurer