

MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
July 6, 2006

A regular meeting of the Board of Light, Gas and Water Commissioners, City of Memphis, was held in the Amphitheater of the Fogelman Executive Center, University of Memphis Campus, Thursday, July 6, 2006 at 1:30 p.m. The following were in attendance: Rick Masson, Chairman; V. Lynn Evans, Vice Chairman; James L. Russell, Commissioner; Nick Clark, Commissioner; William L. Taylor, Commissioner; Joseph Lee, III, President and CEO; Odell Horton, Jr., Vice President and General Counsel; Diana Veazey, Vice President, Construction and Maintenance; Alonzo Weaver, Vice President, Customer Operations; Christopher Bieber, Vice President, Engineering; Armstead Ward, Vice President, Human Resources; Linda Peppers, Vice President and Chief Technology Officer; Councilwoman Barbara Swearengen Holt; and Councilman Dedrick Brittenum, Jr.. Due to the absence of John McCullough, Dana Jeanes was Acting Secretary-Treasurer.

Reverend/Dr. Kenneth T. Whalum, Jr. gave the invocation.

Vice Chairman Evans moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held June 15, 2006, that they be recorded as the official record, seconded by Commissioner Russell and unanimously carried.

The Acting Secretary-Treasurer acknowledged receipt of certified copies of City Council Resolutions dated June 20, 2006, Item Nos. 5 through 9, approving items approved by the MLGW Board at meeting held June 1, 2006 (see Minute File No. 1282).

After discussion, it was moved by Commissioner Clark, seconded by Commissioner Russell and unanimously carried that Item No. 18 of today's agenda be amended; therefore, the revision to Personnel Policy No. 21-01, Employment of Relatives, was withdrawn.

1. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of Contract No. 11107, Electronic Bill

Presentment and Payment Services, to KUBRA in an estimated funded amount of \$200,000.

The project scope is a subscription to an application service provider (ASP) that will enable customers to view their monthly MLGW bills and make electronic payments for those bills from MLGW's website, as well as their own bank websites and through an IVR system. The contract amount is a maximum of \$200,000, which includes a \$25,000 one-time set-up fee and transactional costs based on an estimated 30,000 users, plus an additional amount in case actual usage exceeds the anticipated volume. It is recommended that this contract be awarded for automatic renewal, provided costs do not increase more than 10% annually to maximize the effectiveness and continuity of this customer service.

Proposals were received on May 11, 2006, with the best of six proposals being submitted by KUBRA.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of Contract No. 11107 to KUBRA in an estimated funded amount of \$200,000, 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. 11121, Customer Satisfaction Survey Process, to Renee Enterprises in the funded amount of \$24,960.

The project scope is to conduct community perception, residential, commercial and industrial satisfaction surveys in Memphis and Shelby County, Tennessee. The surveys are used by Analysis, Strategy and Performance in determining the level of satisfaction with the service performed or received.

One proposal of five proposals was received and opened on May 12, 2006, with the best proposal being submitted by Renee Enterprises.

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

THAT, Award of Contract No. 11121 to Renee Enterprises in the funded amount of \$24,960, 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. 11123, Whitehaven Community Office HVAC Upgrade, to National HVAC Services in the funded amount of \$14,484.

The project scope is to upgrade existing HVAC equipment at the MLGW Whitehaven Community Office, 1111 East Shelby Drive.

Bids were received on June 21, 2006, with the lowest and best bidder of four bidders being National HVAC Services.

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

THAT, Award of Contract No. 11123 to National HVAC Services in the funded amount of \$14,484, 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 Change No. 1 to Contract No. 11081, Air Intake for the MLGW Administration Building, with Barnes & Brower, Inc. in the funded amount of \$5,926.28.

The project scope has changed to allow installation of new fusible link fire dampers at the four penetrations in the penthouse floor of the Administration Building. This change is required as a result of code enforcement inspections. The new contract amount is \$115,850.28.

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

THAT, Change No. 1 to Contract No. 11081 with Barnes & Brower, Inc. in the funded amount of \$5,926.28, 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 Change No. 1 to Contract No. 11101, Re-roof Five Buildings at Brunswick and Central Shops, with B Four Plyed, Inc. in the funded amount of \$1,715.

The project scope has changed to allow installation of ½” plywood to the adjacent building wall, and approximately 200 square feet of additional roof flashing and sheet metal trim to the Body Shop Fontaine Wing South Wall at Central Shops. The work is necessary due to wear-and-tear damage over time that was discovered during the re-roof, tear-off process. The new contract amount is \$115,850.28.

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

THAT, Change No. 1 to Contract No. 11101 with B Four Plyed, Inc. in the funded amount of \$1,715, as outlined in the foregoing preamble, is approved; and further,

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

6. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing aerial towers with articulating booms and fiberglass baskets which are used by distribution crews to install and/or maintain the electric system. Order quantities are based upon previous usage records and budgeted units that have been approved for 2006, and projected budgeted units that will be submitted for approval during the next 24 months. During the length of this contract, quantities will be driven based on actual need.

Bids were opened on May 31, 2006. Seven bids were solicited, and the lowest and best complying bidders of two bidders were Altec Industries for two items and Terex Utilities South for one item. The approximate total for all items is \$1,294,642.15.

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

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

36-month blanket contract for two items of 55’ aerial towers in accordance with MLGW Specification No. TRAT-06-3045 and No. TRAT-06-3040, 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 to be placed on file in General Accounting

totaling \$1,122,781, approximately; and further,

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

36-month blanket contract for one item of 65' aerial towers in accordance with MLGW Specification No. TRAT-06-3050, 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 to be placed on file in General Accounting

totaling \$171,861.15, approximately.

The total 36-month award amounts to \$1,294,642.15, approximately; f.o.b. Memphis, Tennessee, transportation prepaid, said prices being firm for the first 12-month period with firm unit prices quoted for years 2 and 3; terms are net 30 days for Altec Industries, Inc. and net 10 days for Terex Utilities South; delivery as required.

7. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing two replacement API Basco Type "BEU" gas cooler heat exchangers which are used in the process of condensing natural gas from its gaseous form into a liquid form, which is easier to store and requires less storage space at the LNG plants.

Bids were received on June 26, 2006. The only bidder was API Basco in the amount of \$35,500.50.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to API Basco is approved for furnishing:

2 – Replacement Basco Type "BEU" gas cooler heat exchangers, at \$17,750.25 each

totaling \$35,500.50; f.o.b. Buffalo, NY, transportation prepaid and add; said prices being firm; delivery in 14 to 16 weeks.

8. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing turbine and rotary meters with accessories. The new gas meters and accessories will be installed at Tennessee Valley Authority's Allen Steam Plant. The new meters have the capability to drive the mechanical counter and electronics on the flow computer which cannot be

affected by outside interference. The meters will have the capabilities to double check the electronics' part of the flow meter. If the electronics fail due to lightning or malfunction, the mechanical part can be used to generate their gas billing.

Bids were received on June 21, 2006. Three bids were solicited; however, only one bid was received from Tri-State Meter and Regulator Service, Inc. in the amount of \$82,034.10.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Tri-State Meter and Regulator Service, Inc. is approved for furnishing:

2 – 8” Turbine Meters, Model No. T90-720
 1 – 12” Turbine Meter, Model No. T230-720
 3 – YZ Meter Lubrication Systems, Model No. MLS-4400
 1 – 12” Straightening Vane Flange
 1 – 12” Flanged Tee Strainer, Model No. 12-TSF-0720 CSL
 1 – 2” Tee Strainer, Model No. 2-TSFW-1440
 1 – 2” Series B Rotary Meter, Model No. B3-3M1480SSMCD

totaling \$82,034.10; f.o.b. Memphis, Tennessee, transportation prepaid; deliveries vary from 3 to 12 weeks.

9. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing server hardware and software, which is needed to implement a new development and testing platform for MLGW's existing Customer Information System (CIS). This will also serve as a disaster-recovery computing platform for the production CIS should one become necessary.

Bids were opened on May 31, 2006. The lowest and best complying bidder of three bidders was Carotek, Inc. in the amount of \$237,648.97.

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

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

HP server cabinet and related peripheral equipment, at \$7,455.28 all

HP9000 server and DDS tape equipment, at \$77,861.15 all

HP storage management server, at \$8,601.37 all

HP disk storage array and storage area network (Option 1), at \$140,531.17 all

Cost of freight, at \$3,200 all

totaling \$237,648.97; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery within 14 days.

10. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing coiled pipe trailer which is used by Gas Distribution crews when installing and/or maintaining the gas infrastructure system. This equipment replaces existing equipment that will be retired.

Bids were opened on May 31, 2006. The lowest and best complying bidder of two bidders was Consolidated Pipe and Supply Company in the amount of \$36,655.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Consolidated Pipe and Supply Company is approved for furnishing:

1 – Sweetwater Model No. CT2710C-LT-SL self-loading coiled pipe trailer, including McElroy linetamer and hydraulic power unit with capacity to carry 4" and 6" PE coiled type, assembled and ready for operation by the Division, all in accordance with MLGW Specification No. TPET-06-0781

totaling \$36,655; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery 4 to 6 weeks after receipt of order.

11. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing network transformers and protectors which are used by network crews for new installations or maintenance on the MLGW electric system.

Bids were opened on May 31, 2006. The lowest and best complying bidders of five bidders were Carte International for five items and Richards Manufacturing for five items. The total for all items is \$1,154,670.

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

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

4 – Transformers, distribution, 500 KVA oil-immersed self-cooled, subways-type, submersible, three-phase 60-cycle, with 13,200 volt delta primary 5% impedance, 480 WYE/277 volt secondary; to be furnished in

full accordance with MLGW Specification No. 47-80XX dated December 12, 2005, at \$27,625 each

6 – Transformers, distribution, 500 KVA oil-immersed self-cooled, subways-type, submersible, three-phase 60-cycle, with 13,200 volt delta primary 5% impedance, 216 WYE/125 volt secondary; to be furnished in full accordance with MLGW Specification No. 47-80XX dated December 12, 2005, at \$28,197 each

4 – Transformers, distribution, 750 KVA oil-immersed self-cooled, subways-type, submersible, three-phase 60-cycle, with 13,200 volt delta primary 5% impedance, 480 WYE/277 volt secondary; to be furnished in full accordance with MLGW Specification No. 47-80XX dated December 12, 2005, at \$32,716 each

6 – Transformers, distribution, 1500 KVA oil-immersed self-cooled, subways-type, submersible, three-phase 60-cycle, with 13,200 volt delta primary 7% impedance, 480 WYE/277 volt secondary; to be furnished in full accordance with MLGW Specification No. 47-80XX dated December 12, 2005, at \$47,466 each

1 – Transformer, distribution, 2000 KVA oil-immersed self-cooled, subways-type, submersible, three-phase 60-cycle, with 13,200 volt delta primary 7% impedance, 480 WYE/277 volt secondary; to be furnished in full accordance with MLGW Specification No. 47-80XX dated December 12, 2005, at \$56,443

totaling \$751,785; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery 22 weeks after receipt of order; and further,

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Richards Manufacturing is approved for furnishing:

4 – Protectors, network, 800 AMP, 480 WYE/277 volt, submersible-type, automatic low voltage, to fit a 500 KV, 13,200 volt delta primary 5% impedance, 480 WYE/277 volt secondary, subway network transformer. The protector shall be manufactured in full accordance with MLGW Specification No. 47-90XX dated May 10, 2006, at \$16,996 each

4 – Protectors, network, 1200 AMP, 480 WYE/277 volt, submersible-type, automatic low voltage, to fit a 750 KV, 13,200 volt delta primary 5% impedance, 480 WYE/277 volt secondary, subway network transformer. The protector shall be manufactured in full accordance with MLGW Specification No. 47-90XX dated May 10, 2006, at \$16,996 each

6 – Protectors, network, 1600 AMP, 216 WYE/125 volt, submersible-type, automatic low voltage, to fit a 500 KV, 13,200 volt delta primary 5% impedance, 216 WYE/125 volt secondary, subway network transformer. The protector shall be manufactured in full accordance with MLGW Specification No. 47-90XX dated May 10, 2006, at \$16,107 each

6 – Protectors, network, 2500 AMP, 480 WYE/277 volt, submersible-type, automatic low voltage, to fit a 1500 KV, 13,200 volt delta primary 7% impedance, 480 WYE/277 volt secondary, subway network transformer. The protector shall be manufactured in full accordance with MLGW Specification No. 47-90XX dated May 10, 2006, at \$24,325 each

1 – Protector, network, 3000 AMP, 480 WYE/277 volt, submersible-type, automatic low voltage, to fit a 2000-KV, 13,200 volt delta primary or 22,900 volt delta primary 7% impedance, 480 WYE/277 volt secondary, subway network transformer. The protector shall be manufactured in full

accordance with MLGW Specification No. 47-90XX dated May 10, 2006, at \$24,325

totaling \$402,885; f.o.b. Memphis, Tennessee, transportation prepaid; said price being firm; delivery 8 weeks after receipt of order.

The total of all awards amounts to \$1,154,670.

12. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing hydraulic mini-digger derrick which is used by distribution crews when installing and/or maintaining electric, gas and water systems. This equipment is a new item budgeted in 2006.

Bids were opened on May 31, 2006. The lowest and best complying bidder of two bidders was Terex Utilities South in the amount of \$94,490.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Terex Utilities South is approved for furnishing:

1 – Skylife 33 Plus self-propelled mini derrick with auger and a maximum load capacity of at least 2,500 lbs., with a tandem axle flatbed trailer having at least a 10,000-lb. GVW rating, all in accordance with MLGW Specification No. TMD-06-0578

totaling \$94,490; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery 90 to 120 days after receipt of order.

13. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing utility bodies which are installed on cab and chassis 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 May 31, 2006. The lowest and best complying bidders of three bidders were Utility Equipment Service, Inc. for four items and Altec Industries, Inc. for one item. The total for all items is \$98,792.

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

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

3 – All-steel utility bodies for installation on ¾-ton cab and chassis with approximately 56-inch cab-to-axle dimension, all in accordance with

MLGW Specification No. TUB-06-2080 and Drawing No. GM-228, at \$2,954 each

7 – All-steel utility bodies for installation on 1-ton cab and chassis with dual rear wheels having approximately 56-inch cab-to-axle dimension, all in accordance with MLGW Specification No. TUB-06-2140 and Drawing No. GM-425, at \$4,237 each

1 – All-steel utility body for installation on 1-ton cab and chassis with dual rear wheels having approximately 56-inch cab-to-axle dimension, all in accordance with MLGW Specification No. TUB-06-2143 and Drawing No. GM-530, at \$4,738

5 – All-steel utility bodies for installation on 1-ton cab and chassis with dual rear wheels having approximately 84-inch cab-to-axle dimension, all in accordance with MLGW Specification No. TUB-06-2151 and Drawing No. GM-515 B, at \$6,624 each

totaling \$76,379; f.o.b. Memphis, Tennessee, transportation prepaid, said prices being firm; delivery within 8 to 10 weeks after receipt of order; and further,

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Altec Industries, Inc. is awarded contract for furnishing:

1 – All-steel utility body with enclosed top rear and corner-mounted electric crane with at least 25,000 ft-lbs rating for installation on 1-ton cab and chassis with dual rear wheels having approximately 84-inch cab-to-axle dimension, all in accordance with MLGW Specification No. TUB-06-2155 and Drawing No. GM-515 A, at \$22,413

totaling \$22,413; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery within 22 weeks after receipt of order.

The total of all awards amounts to \$98,792.

14. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing truck-mounted hydraulic digger derricks 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 May 24, 2006. Ten bids were solicited, and the lowest and best complying bidder of two bidders was Altec Industries, Inc. for two items totaling \$311,830.

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

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

1 – Altec Model No. DM47 truck-mounted hydraulic derrick with hydraulic hole digger and a maximum load capacity of at least 12,000 lbs. to be rear mounted on a single-axle cab and chassis supplied by MLGW with 37,000-lb. GVW rating and 108-inch cab-to-axle dimension, all in accordance with MLGW Specification No. TDD-06-3250, at \$94,316

2 – Altec Model No. D3050-TR truck-mounted hydraulic derrick with hydraulic hole digger and a maximum load capacity of at least 15,000 lbs. to be rear mounted on a tandem-axle cab and chassis supplied by MLGW with 52,000-lb. GVW rating and 142-inch cab-to-axle dimension, all in accordance with MLGW Specification No. TDD-06-3290, at \$108,757 each

totaling \$311,830; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery 280 to 310 days after receipt of order.

15. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners amendment to Purchase Order No. 123504 with Mid-America International Trucks, Inc. for furnishing heavy duty (two and five-ton) cab and chassis as budgeted in 2006. All existing customer terms and conditions will remain the same.

On May 18, 2006, the Board of Light, Gas and Water Commissioners approved amendment to Purchase Order No. 123504; however, an error was made in calculating the total amount. The final total did not include one item that was approved in the 2006 budget at a cost of \$56,709. In calculating the amount for the amendment, a quantity of three was used for item number seven, but the quantity should have been four. The addition of this item will change the estimated total amount from \$6,300,787.28 to \$6,357,496.28 and will complete all 2006 budgeted requirements for heavy duty (two and five-ton) cab and chassis.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, Purchase Order No. 123504 as outlined in the foregoing preamble is amended.

16. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing corporate global server which is required to replace MLGW's Amdahl Omniprise 1025 mainframe computer, which will no longer be supported by IBM effective April 2007, and to expand existing Amdahl DASD equipment. This equipment will allow MLGW personnel to maintain support and operations of existing MLGW software and applications.

Bids were opened on May 17, 2006. The lowest and best complying bidder of two bidders was Fujitsu Computer Systems Corporation in the amount of \$155,073.

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

THAT, Subject to the consent and approval of the Council of the City of Memphis, award of contract to Fujitsu Computer Systems Corporation is approved for furnishing:

6 – Amdahl/Fujitsu 18 GB drive pairs for DASD expansion to be furnished in accordance with MLGW specifications dated March 28, 2006, at \$700 each

21 – Amdahl/Fujitsu 36 GB drive pairs for DASD expansion to be furnished in accordance with MLGW specifications dated March 28, 2006, at \$1,613 each

1 – IBM 2066 Model OB1 processor with 8 GB memory, 48 ESCON channels, to be furnished in accordance with MLGW specifications dated March 28, 2006, at \$98,000

8 – IBM 10/100 Ethernet connections, to be furnished in accordance with MLGW specifications dated March 28, 2006, at \$500 each

12 – ESCON to parallel channel converters, to be furnished in accordance with MLGW specifications dated March 28, 2006, at \$750 each

Cost of installation/integration services, in accordance with MLGW specifications dated March 28, 2006, at \$3,500 all

Cost to uninstall and remove existing Omniprise Model No. 1025 from MLGW's facility, in accordance with MLGW specifications dated March 28, 2006, at \$2,500 all

totaling \$155,073; f.o.b. Memphis, Tennessee, transportation prepaid; said prices being firm; delivery in 10 weeks.

17. The President submitted for approval of the Board the following position numbers, per the attached documents (see Minute File No. 1283):

Position No. 02193, Systems Operator I
Position No. 05589, Housekeeping Attendant

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

THAT, Position numbers 02193 and 05589, as outlined in the foregoing preamble, are approved.

18. The President and Vice President, Human Resources submitted for approval of the Board the following revised Memphis Light, Gas and Water Personnel Policies, as amended (see Minute File No. 1283):

Introduction to Memphis Light, Gas and Water Personnel Policies
Policy No. 20-01 – Equal Employment Opportunity
Policy No. 20-02 – Promoting Mutual Respect and Tolerance of Diversity
Policy No. 21-03 – Pre-Employment Physical Exam
Policy No. 21-05 – Exit Interview
Policy No. 22-01 – Tuition Assistance
Policy No. 22-03 – Bonus Days
Policy No. 23-13 – Employment in Secondary Jobs/Activities
Policy No. 23-14 – Possession of Weapons
Policy No. 23-23 – Smoking Policy
Policy No. 23-24 – Falsification of Division Records

The revised MLGW Personnel Policies were presented to the Chair of the Human Resources Committee of the Memphis Light, Gas and Water Board of Commissioners. The Chair of the Human Resources Committee approved these policy revisions.

These MLGW Personnel Policies will become effective upon implementation by the President of MLGW.

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

THAT, The policies stated above are hereby approved.

19. The General Counsel submitted to the Board the June 30, 2006 Quarterly Report of the Customer Advocate Committee. It is recommended that the Board approve and uphold the decisions reflected therein. (See Minute File No. 1283).

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

THAT, The attached June 30, 2006 Quarterly Report of the Customer Advocate Committee is approved and will be upheld by the Board.

20. The Vice President, Construction and Maintenance submitted for consideration of the Board W. R. No. C1I14270 in the amount of \$15,572, for the purchase of one two-ton service body – ET 2006. This body is needed on Equipment No. 7966 which is included in the 2006 Budget.

Funds will be taken from Class Item No. 200-0102, which was included on W. R. No. C1H90827 but was not purchased due to a budget reduction (14-1) – Transportation Equipment – Account No. 1101-3920.

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

THAT, W. R. No. C1I14270 in the amount of \$15,572, as outlined in the foregoing preamble, is approved.

21. The Vice President, Construction and Maintenance submitted for consideration of the Board W. R. No. C2I11641 in the amount of \$17,653, for the purchase of one PTO air compressor. This compressor is needed on Equipment No. 7983, which is included in the 2006 Budget.

Funds will be taken from Class Item No. 200-5225, which was included on W. R. No. C2H92739, but was not purchased due to a budget reduction (32-10) – Power Operated Equipment – Account No. 2101-3960.

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

THAT, W. R. No. C2I11641 in the amount of \$17,653, as outlined in the foregoing preamble, is approved.

22. The Manager, Electric Engineering presented for consideration of the Board approval to acquire easement rights for an electric transmission line from Graves C. Leggett and wife, Frances M. Leggett, for a proposed transmission line circuit tie between proposed Substation No. 91 and Substation No. 65, said property being shown on the attached plat (see Minute File No. 1283) and more particularly described as follows:

This easement is across a tract of land conveyed to Graves C. Leggett and wife, Frances M. Leggett, by deed of record as described in the Register's Office of Shelby County, Tennessee in the Register's Official Record Book under Instrument No. Z1-4011 and BEING THE SAME property as shown on the attached plat prepared by Ollar Surveying Company and dated November 24, 2004 and made a part hereof.

Said easement is described in metes and bounds as prepared by Ollar Surveying Company and shown on Page 2 of this easement contract and made a part hereof.

Property located on the southeast corner of Millington-Arlington Road and Donnell Road.

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

THAT, The Board of Light, Gas and Water Commissioners recommends to the Council of the City of Memphis, purchase of easement described in the above preamble from Graves C. Leggett and wife, Frances M. Leggett, for and in consideration of \$377,000, to be funded from the Electric Division approved in the 2006 Budget; and further,

THAT, The President or his designated representative of the Division is hereby authorized to execute purchase of said easement described in the above preamble.

23. The Manager, Electric Engineering presented for consideration of the Board approval of W. R. No. C1G76709 in the amount of \$2,700,000, for the purchase of transmission line right-of-way easements between Electric Substation No. 65 and proposed Electric Gate Station No. 91. This right-of-way will be needed as a tie between these substations which will provide additional transmission capacity in northeast Shelby County.

Funds will be taken from Line Item 8-12 in the amount of \$350,000 and Line Item No. 10-9 in the amount of \$700,000 of the 2006 Electric Capital Budget.

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

THAT, W. R. No. C1G76709 in the amount of \$2,700,000, as outlined in the foregoing preamble, is approved.

24. The Manager, Procurement and Contracts recommended to the Board of Light, Gas and Water Commissioners award of contract for furnishing infrared camera system to be mounted on a van for mobile-thermal imaging of MLGW's power system. This new camera system will replace a camera system that is over seven years old and is in need of repair.

Bids were opened on June 9, 2006. Although bids were solicited from two bidders, only one bid was received from FLIR Systems, Inc. in the amount of \$39,950.

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

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

1 – Infrared camera system, to be furnished in accordance with MLGW specifications dated May, 2006

totaling \$39,950; f.o.b. Memphis, Tennessee, transportation prepaid; said price being firm; delivery in six weeks.

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

26. Bill Thomas, 546 Claycreek Road, appeared before the Board to discuss various matters.

27. Joseph Lee, III, President and CEO, and MLGW Staff presented the Annual Stakeholders Report.

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

SEE MINUTE FILE NO. 1283.