



Board of Light, Gas and Water Commissioners

220 S. Main Street
Memphis, TN 38103
www.mlgw.com

Board Meeting

~ Minutes ~

Wednesday, October 3, 2018

1:00 PM

Board Room

CALL TO ORDER AND OPENING REMARKS:

Chairman Wishnia

The meeting was called to order at 1:03 p.m.

PLEDGE OF ALLEGIANCE:

Chairman Wishnia

The Pledge of Allegiance was recited.

SAFETY BRIEFING:

J. T. Young

President Young addressed the audience giving instructions in the event of an emergency during the meeting. He explained that an alarm would sound with instructions given over the loud speaker. He pointed out exits and explained the responsibilities of the Security Officers. He asked for everyone's cooperation should an emergency arise.

ROLL CALL:

Dana Jeanes

Attendee Name	Title	Status	Arrived
Steven Wishnia	Chairman	Present	
Carlee McCullough	Vice Chairman	Present	
Mitch Graves	Board Member	Absent	
Leon Dickson	Board Member	Present	
Michael Pohlman	Board Member	Present	

The following staff members were present: J. T. Young, President and CEO; Dana Jeanes, SVP, CFO and CAO (Secretary-Treasurer); Cheryl Patterson, VP and General Counsel; Alonzo Weaver, SVP & COO; Nick Newman, VP, Engineering & Operations; Cliff DeBerry, VP Design, Construction & Delivery; Christopher Bieber, VP, Innovation & Business Analytics; Von Goodloe, VP, Shared Services; Galé Carson, VP Community and External Affairs; and Lesa Walton, Chief Internal Auditing Officer. The following staff members did not attend the meeting: Lashell Vaughn, VP & CIO; Roland McElrath, Controller; and Jim West, Chief Customer Officer.

Advisory Board Members - Dwain Kicklighter - Present
Kevin Young - Present

APPROVALS:

Motion To: Approve Minutes of the Meeting of September 20, 2018.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Pohlman, Board Member
SECONDER:	Leon Dickson, Board Member
AYES:	Michael Pohlman, Steven Wishnia, Carlee McCullough, Leon Dickson
ABSENT:	Mitch Graves

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated September 25, 2018, Items 9 through 15 and item 23. (See Minute File No. 1429.)

PRESENTATIONS:

(None)

GENERAL STATEMENTS FROM THE PUBLIC:

1) Minister Suhkara Yahweh, 838 Walker Ave., #104, addressed the Board and wanted to inform them that he is an EPA Certified Supervisor and requesting that fluoride be removed from the water. He noted that one of the MLGW Board of Commissioners suggested he go to the City Council to address the ordinance pertaining to fluoride. He had a handout for the Board and MLGW Administration. He spoke of various diseases and health problems that he believes is caused by fluoride.

PRESIDENT'S BRIEFING:

1. Review of Consent Agenda - J. T. Young

(President's Briefing Continued on Page 98)

The original of the resolutions and documents relating to each item is filed in the vault on the fifth floor of the MLGW Administration Building, 220 South Main. The original documents shall control in the event of any conflict between the description and these minutes and the original documents.

CONSENT AGENDA

(Items 1 through 9)

ESULT:	APPROVED [UNANIMOUS]
MOVER:	Leon Dickson, Board Member
SECONDER:	Carlee McCullough, Vice Chairman
AYES:	Michael Pohman, Steven Wishnia, Carlee McCullough, Leon Dickson
ABSENT:	Mitch Graves

CHIEF CUSTOMER OFFICER

(None)

CHIEF INFORMATION OFFICER

1. Resolution awarding a twenty-four month purchase order to Computer Associates, Inc., for renewal of Automic Applications Manager software, in the amount of \$101,740.00 (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

CHIEF PEOPLE OFFICER

2. Resolution approving five Utility Worker 2 positions (Position Nos. 00578, 01625, 01684, 02466 and 05222); Position No. 01363 - Supervisor Leased Outdoor Lighting; and Position No. 07048-Computer Software Specialist 3. (J. T. Young/Von Goodloe)
3. Resolution approving a onetime payment to Preng & Associates, for consulting fees associated with the selection of a Chief Customer Officer, in the amount of \$69,422.91, based on the CMEM Professional Service Agreement between Preng & Associates and the City of Memphis. (Von Goodloe) (REQUIRES CITY COUNCIL APPROVAL)

DESIGN CONSTRUCTION & DELIVERY

4. Resolution awarding individual purchase orders for a thirty-six month period to Clark Crane, LLC and Barnhart Crane and Rigging Company, for the rental of cranes with lift capacities ranging from 100-600 tons, in an amount not to exceed \$300,000.00. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

ENGINEERING & OPERATIONS DIVISION

5. Resolution awarding Contract No. 12030, Allen Pumping Station Piping and Valve Replacement, to Chris-Hill Construction Company in the funded amount of \$9,760,862.00. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT'S DIVISION

(None)

SVP, CFO & CAO, FINANCE DIVISION

6. Resolution approving Change No. 2 to Contract No. 11914, MLGW Utility Payment Centers with FirsTech, Incorporated, in the funded amount of \$145,000.00. (This change is to renew the current contract for the second of four annual renewal terms for the period covering November 15, 2018 through November 14, 2019, with no increase in fees from the previous year.) (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

SHARED SERVICES

7. Resolution awarding sixty-month purchase orders to Howard Industries, Inc. in the amount of \$5,960,038.36 and ERMCO c/o Utility Sales Agency in the amount of \$2,647,089.67, for the purchase of single phase pole type distribution transformers. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)
8. Resolution approving Change No. 6 to Contract No. 11293, Procurement Card Provider with First Tennessee Bank to extend the current contract through July 31, 2020 with no fees. (This extension is needed to allow the MLGW User Representative to develop revised specifications for the Procurement Card Program; as well as to issue, receive, evaluate, make recommendations and transition to a new procurement card environment, should the incumbent not be awarded the contract.) (Clifton Davis)

VP & GENERAL COUNSEL DIVISION

9. Resolution approving payment of \$500,000.00 for a litigation settlement. (Cheryl Patterson) (REQUIRES CITY COUNCIL APPROVAL)

REGULAR AGENDA

(Item 10 – Held over to Special Called Board Meeting on October 19, 2018)

10. Resolution approving the Budgets for the Electric, Gas and Water Divisions for the 2019 operating and maintenance expenses and the 2019 capital expenditures which includes rate increases for each Division. In addition, the resolution petitions the Memphis City Council to convene as a rate making body at a public hearing at a future date to be set by the Memphis City Council and to consider and determine revisions in MLGW tariffs and rates. The resolution also authorizes the President to publish a public notice of the intention of MLGW to seek approval from the Memphis City Council of the rate revisions. (J. T. Young/Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL) – **See below for discussion of Item 10.**

DISCUSSION – Item 10: Dana Jeanes explained the changes that have been made compared to the Preliminary Presentation that was given on September 5, 2018. The handout for today's meeting shows a breakdown of each division comparing previously proposed actions, revised actions and additional options. Mr. Jeanes discussed adjustments and the effects of the day's cash and the proposed rate increases over the five year plan. Chairman Wishnia noted that MLGW is one of a few utility companies that has an AA rating and that does not need to be lost due to cash on-hand days.

Chairman Wishnia stated he would prefer not to have options and just bring the best opportunity to limit confusion. President Young stated he asked Mr. Jeanes to conduct the analysis. The BOC questioned if all areas that could be trimmed have been looked into and considered. President Young pointed out that even with the needed increases, MLGW will continue to provide some of the lowest rates in the country to MLGW's customers. In addition, he noted that the goal of this increase will improve customer value, reliability, modernization and quality. The infrastructure is old and funds are needed for improvements.

RESULTS of Item 10: After discussions and questions from the Board pertaining to the Budget, it was unanimously decided that the Budget needs to be taken to a Special

Called Meeting to obtain more information and allow further discussions. Lisa Osborn will coordinate the meeting and courier budget books to each of the BOC.

PRESIDENT'S BRIEFING (Continued):

2. Other - J. T. Young

President Young made the Board aware of the first MLGW Safety Conference. He thanked all participants and stated it was a productive meeting.

COMMITTEE REPORTS:

Human Resources Committee - Commissioner Leon Dickson stated the report today is for Safety only. He noted there were no substantial changes; however, there were some improvements in a couple of areas. He noted that the SLC presented Safety Plans for all three divisions. He also stated that IBEW will be engaged in the Safety Plans.

ADJOURNMENT:

Prior to adjournment, Chairman Wishnia extended his condolences to the family of Mr. Phil Trenary.

There being no further business, the meeting was adjourned at 1:51 p.m.

(See Minute File No. 1430.)

Approved Without Interlineation


Chairman

These Minutes Compiled by Undersigned and
are Correct


Acting Secretary-Treasurer