



# Board of Light, Gas and Water Commissioners

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

## Board Meeting

~ Minutes ~

Thursday, February 20, 2014

1:30 PM

Board Room

### CALL TO ORDER AND OPENING REMARKS:

Chairman Masson

The meeting was called to order at 1:30 p.m.

### PLEDGE OF ALLEGIANCE:

Chairman Masson

The Pledge of Allegiance was recited.

### ROLL CALL:

Dana Jeanes

Attendee Name	Title	Status	Arrived
Derwin Sisnett	Vice Chairman	Present	
Rick Masson	Chairman	Present	
Steven Wishnia	Board Member	Present	
Darrell T. Cobbins	Board Member	Present	

The following staff members were present: Jerry R. Collins, Jr., President and CEO; Dana Jeanes, Vice President, CFO and Secretary-Treasurer; Cheryl Patterson, Vice President and General Counsel; Nick Newman, Vice President, Construction and Maintenance; Christopher Bieber, Vice President, Customer Care; Alonzo Weaver, Vice President, Engineering and Operations; Von W. Goodloe, Vice President, Human Resources; and Lashell Vaughn, Vice President and Chief Technology Officer.

### APPROVALS:

Motion To: Approve Minutes from previous Board Meeting, February 6, 2014.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Steven Wishnia, Board Member
<b>SECONDER:</b>	Derwin Sisnett, Vice Chairman
<b>AYES:</b>	Derwin Sisnett, Rick Masson, Steven Wishnia, Darrell T. Cobbins

### CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated February 4, 2014, Items 14 through 16, approved by the Board on January 16, 2014. (See Minute File No. 1373)

### PRESENTATIONS:

1. United Way Check Presentation - Dr. Von Goodloe introduced Ashley Campbell, this year's United Way Campaign and Kevin Watkins, Co-Chairman. Dr. Goodloe thanked Jerry Collins for his service to United Way and expressed his gratitude to him for assisting in removing obstacles

when needed. He gave praises to the MLGW employees for their contributions and noted what the employees are giving back to the community is immeasurable. Ms. Campbell introduced Mr. Bryce Haugsdahl and Mr. Reginald Green with United Way and presented a check to the United Way of the Mid-South for \$633,260.00. The United Way representative thanked everyone for their contributions and stated he is pleased that Jerry Collins has agreed to serve on their Board in 2016 as the elect Chair. The MLGW golf tournament and the walk campaign were also recognized and appreciation was extended to those employees' leadership. Chairman Masson expressed appreciation to the employees on behalf of himself and all of the Commissioners.

## 2. MLGW HEROES Awards - Jerry R. Collins, Jr.

President Collins read a letter from William Jones, Division of Fire Services, regarding three MLGW employees who went beyond their call of duty to help a lady in a crisis. On January 23, Bin Holland, Dustin Johnson, and Keith Dollahite were driving down the street and someone was waving for them to stop and call 911. They then noticed a lady trying to pull her husband to safety from a house fire. They responded by stopping and climbing the fence, called 911, and helped the lady move her husband away from the fire, demonstrating an act of bravery and concern. President Collins noted that some people would have just called 911 and kept going, but these gentlemen didn't do that. They were presented with plaques and acknowledged as MLGW HEROES.

In addition, President Collins praised MLGW employee Rodney Thompson who was reading meters on a very hot day in July, 2012, where he found an elderly lady that had fallen in her back yard and could not get up. She had fallen 4 1/2 hours earlier. Mr. Thompson went for help next door and called 911. Due to his heroic act and efforts, the lady was saved. He was also presented a plaque awarding him with a MLGW HEROES Award.

## GENERAL STATEMENTS FROM THE PUBLIC:

1. Charlotte T. Smith, 3144 Bayview Drive, addressed the Board stating she had called last month to find out why street light fees were included on her bill. She stated she was not aware this has been passed through by the City Council. She had received a form stating she must complete and return it by the deadline, or her utilities would be subject to disconnection. She noted she had e-mailed all of the MLGW Board members with no response. Chairman Masson apologized for not responding and explained that a federal law had been passed requiring all utility companies across the country to distribute the form. He explained the reasoning behind it was that the federal government considered utility services to be an extension of credit and due to identity theft, this was placed upon utility companies. Commissioner Wishnia stated he did receive the e-mail and had forwarded it to President Collins and Mr. Chris Bieber, VP of Customer Care. Mr. Bieber apologized to Ms. Smith due to her not receiving a response and explained the language on the form is being removed for existing customers; however the language will remain for new customers.

2. Debra Godwin, Attorney for IBEW Local 1288, 450 N. Front Street, addressed the Board making two major points pertaining to the Sick Leave Policy on today's Consent Agenda. She stated Section "L" is a new section, and should not be included in the policy. The Union believes it should be part of the MOU and should be a negotiated item. She stated if the Board votes on the Policy today, she is requesting they exclude Section "L". She stated an agreed definition of "sick abuse" needs to be decided upon between the Union and Management. She expressed requiring an employee to get a doctor's excuse each time they are ill, after four sick day absences, is unreasonable. Commissioner Cobbins responded by stating in today's HR Committee Meeting, both Management and the Union had the opportunity to share their perspective on this section of the policy in regard to what it means. At the HR Committee, he

stated he asked if sick leave abuse is a major problem. Nick Newman confirmed that he believes his area does have a problem with it and it needs to be addressed. Commissioner Cobbins stated that in today's Committee meeting, they "zeroed in" on the proof of illness issue and what triggers that. There was discussion of counseling and whether or not that should or should not be a step in between, when a proof of illness note is required. He stated he believes there is some room for compromise and stated "as of 1:15 today, we were at the one yard line", but there is still some disagreement as to the exact language. Commissioner Cobbins stated he is in favor of getting this resolved and suggested consideration in moving it to the Regular Agenda for further discussion.

3. Chairman Masson acknowledged Councilman Myron Lowery's presence at the meeting and expressed his appreciation for all that he does for the City of Memphis and the community.

#### **PRESIDENT'S BRIEFING:**

1. Review of Consent Agenda - Jerry R. Collins, Jr.  
(President's Briefing Continued on Page 19)

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**

(Consent Agenda Items 1 through 7 and Items 9 through 15 Approved as Amended – Item 16 Approved as an "Add On" and later moved to the Regular Agenda)

<b>RESULT:</b>	<b>APPROVED AS AMENDED [UNANIMOUS]</b>
<b>MOVER:</b>	Steven Wishnia, Board Member
<b>SECONDER:</b>	Darrell T. Cobbins, Board Member
<b>AYES:</b>	Derwin Sisnett, Rick Masson, Steven Wishnia, Darrell T. Cobbins
<b>RECUSED #6:</b>	Derwin Sisnett, Board Member

#### **CONSTRUCTION & MAINTENANCE DIVISION**

(None)

#### **CUSTOMER CARE DIVISION**

1. Resolution approving revisions of Section 102.00 (Special Conditions) 102.11 Non-Sufficient Funds or Payment Reversals within the 2014 Customer Care Policy Manual. (Chris Bieber)

#### **ENGINEERING & OPERATIONS DIVISION**

2. Resolution approving Change No. 9 to Contract No. 10580, Service Agreement, with Motorola Incorporated, in the funded amount of \$47,759.16. (This change is to renew the current contract for an additional one year term covering the period March 1, 2014 to February 28, 2015 with no increase in rates from the previous year. MLGW is requesting approval of continuous maintenance of the acquired system, which can only be performed by Motorola Incorporated.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving Change No. 11 to Contract No. 10332, ABB Software Maintenance, with ABB Power Training and Development Company, Incorporated, in the funded amount of \$115,393.00. (This change is to renew software maintenance, licenses, and support renewal

fees for the DMS Software covering the period January 1, 2014 through December 31, 2014, reflecting a 3% increase from the previous year due to business operating cost. The FEEDERAL application has been discontinued and is no longer provided by this contract. This reduction in services represents a 15% decrease in the contract costs.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

4. Resolution awarding contract to Whitlow Electric Service Co., Inc. for Galvanized Transmission Tower Steel, in the amount of \$57,973.88. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
5. Resolution approving payment of 2014 annual membership dues, to American Gas Association, in the amount of \$60,045.00. (Alonzo Weaver) (REQUIRES CITY COUNCIL APPROVAL)

#### **FINANCE DIVISION**

6. Resolution approving the selection of the Underwriter/Senior Manager and Co-Managers in connection to the proposed issuance of Series 2014 Electric System Revenue Bonds and the Series 2014 Water System Revenue Bonds. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)
7. Resolution approving Change No. 6 to Contract No. 11292, Cashiering System Replacement, with System Innovators, in the funded amount of \$47,610.00. (This change is to renew the current contract for annual software maintenance and support services for the period covering March 1, 2014 to February 28, 2015. MLGW is requesting continuous maintenance of the acquired system, which can only be performed by System Innovators.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

#### **GENERAL COUNSEL DIVISION**

(None)

#### **HUMAN RESOURCES DIVISION**

8. Item No. 8 Moved to Regular Agenda. Resolution approving revised MLGW Human Resources Policy No. 22-13, Sick Leave, Short Term Disability, and Long Term Disability Non-Occupational Injury/Illness. (Jerry R. Collins/Von Goodloe)
9. Resolution approving Change No. 3 to Contract No. 11332, Short & Long Term Disability, to Unum Group, to extend the current contract in the funded amount of \$1,040,326.53. (This change is to extend the current contract to June 30, 2014 to allow time to complete evaluations of proposals received and vendor selection for a new contract, which proposals were received on January 31, 2014. In the event a new vendor is selected, this extension will allow time for a transition period from the current provider to the new provider. The current term ends April 1, 2014.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
10. Resolution approving Change No. 3 to Contract No. 11333, Group Term, Voluntary Life and Accidental Death and Dismemberment, to Unum Group, to extend the current contract in the funded amount of \$1,040,326.53. (This change is to renew the current contract for a 90 day term for the period covering April 1, 2014 to June 30, 2014. In the event a new vendor is selected, this extension will allow time for a transition period from the current provider to the new provider. The current term ends April 1, 2014.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

**INFORMATION SERVICES DIVISION**

11. Resolution approving Change No. 5 to Contract No. 10070, Remote Printer Control Product, with Macro 4, with no increase in contract value. (This change is to renew the annual software maintenance and support services for a two year term for the period covering March 31, 2014 to March 30, 2016.) (Jozelle Booker)
12. Resolution awarding contract to Venture Technologies for a Firewall Installation Project, in the amount of \$103,706.72. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

**PRESIDENT'S DIVISION**

13. Resolution approving Change No. 2 to Contract No. 11531, Customer Satisfaction Survey, with Renee Enterprises, in the funded amount of \$33,774.00. (This change is to renew the current contract for the second of four renewal terms covering the period April 1, 2014 through March 31, 2015, with no increase in rates from the previous year.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
14. Resolution awarding a forty-eight month contract to Konica Minolta Business Solutions USA, Inc. for rental of copier/printer multi-function devices, in the amount of \$607,920.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

**"ADD ON" ITEMS:**

15. Resolution approving a contract between Memphis Light, Gas and Water, and Lofty Perch, Inc. for professional consulting services. This contract enables MLGW to engage the services of Lofty Perch, Inc. To assist MLGW with a thorough risk assessment of its Smart Grid Cyber Security, make recommendations pertaining to MLGW's implementation of Smart Grid Technology, and provide a comprehensive cyber security policy for MLGW's distribution automation environment that leverages existing security policies developed for NERC CIP compliance and provides a foundation for future security policy initiatives. This cyber security assessment is a required component for compliance with the terms of the Smart Grid Investment Grant Assistance Agreement currently in place between the United States Department of Energy (DOE) and Memphis Light, Gas and Water Division. (Alonzo Weaver)

16. Item No. 16 Moved to Regular Agenda. Resolution presents for consideration the four scenarios set forth on Exhibits 1 through 4, each of which would produce \$12.9 million in revenues, needed to cover the anticipated streetlight cost for 2014. At its' meeting on February 18, 2014, the Council of the City of Memphis adopted a resolution requesting the MLGW Board to consider consolidating the two residential classifications into one flat rate based on concerns relating to the fairness of charging the residents of planned unit developments, who pay separately for private streetlight services by MLGW, and the residents of certain other neighborhoods which do not currently have city street lights. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)

**Motion To:** Move Item No. 8 and Item No. 16 from the Consent Agenda to the Regular Agenda.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Darrell T. Cobbins, Board Member
<b>SECONDER:</b>	Derwin Sisnett, Vice Chairman
<b>AYES:</b>	Derwin Sisnett, Rick Masson, Steven Wishnia, Darrell T. Cobbins

**Motion To:** Bring Item No. 8 and Item No. 16 to the floor for discussion.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Darrell T. Cobbins, Board Member
<b>SECONDER:</b>	Derwin Sisnett, Vice Chairman
<b>AYES:</b>	Derwin Sisnett, Rick Masson, Steven Wishnia, Darrell T. Cobbins

Discussion - Item No. 16 is being presented due to the City Council recommending that the MLGW Board of Commissioners adopt a Resolution with a recommended fee schedule. Councilman Lee Harris had recommended three classes of fees versus four. President Jerry Collins discussed details of each Exhibit attached to the Resolution and explained the basis for each rate and how they were established. The Board directed questions to President Collins. Commissioner Wishnia specifically asked about customers that own multiple billboards and expressed his concern of multiple billings for billboard customers. Dana Jeanes, Secretary/Treasurer, responded that due to each billboard having a separate meter, a separate fee is charged for each one. Commissioner Wishnia also expressed his concern of this extra fee being added to the customers' utility bills and how difficult this would be for customers living at the poverty level. He asked if it would be possible to consider setting the fees based on zip codes. Commissioner Wishnia stated he wanted it to go on record that he realizes the City has had its problems, but he does not feel it is fair to put this burden on the citizens.

Councilman Myron Lowery was present at the Board Meeting and spoke in order to respond to some of the questions between the Board Members and President Collins. He stated Councilman Lee Harris wanted to be fair but wanted to ensure all residents pay the same amount; therefore, he took Mr. Collins' suggestion for the dollar amount raised and averaged them out and brought it from Committee to the full Council Meeting. Councilman Lowery stated he preferred to wait so it could be considered, but Mr. Harris moved forward to suspend the rules and was put on the Agenda. He reported that three Council Members voted against this because they felt that the people living in apartments could least afford this fee. He stated his personal feeling is that those who live in homes would be more able to afford the fee and should pay a higher rate. He stated the rationale pertaining to frontage is a good one. He questioned how does one differentiate between high density of apartments, where there may be 100 or more people living in an apartment complex or in a community of homes which would not have the same number? Councilman Lowery clarified that initially the drafted caption was to "direct" MLGW, but because of the Council, it is a "recommendation". He stated the "ball is in your court" to accept the recommendation or not. He stated if no recommendation was made, it would come back to Council for further debate; however, he also stated "the Council knows its role". In conclusion, he noted that some of the Council members believe this may have superseded the role; however, the recommendation is in the hands of the MLGW Board of Commissioners.

**Motion To:** Motion to Adopt Item No. 16 and Exhibit 3.

<b>RESULT:</b>	<b>ADOPTED [3 TO 1]</b>
<b>MOVER:</b>	Derwin Sisnett, Vice Chairman
<b>SECONDER:</b>	Darrell T. Cobbins, Board Member
<b>AYES:</b>	Derwin Sisnett, Rick Masson, Darrell T. Cobbins
<b>NAYS:</b>	Steven Wishnia

Discussion - Item No. 8, Policy No. 22-13, Sick Leave, Short Term Disability, and Long Term Disability Non-Occupational Injury/Illness, is being presented to the Board for approval. Debra Godwin, Attorney for IBEW Local 1288, addressed the Board with their concerns as noted

above in the "General Statements From The Public". Steve Day stood at the podium to answer questions from the Board. Commissioner Wishnia asked for confirmation of the number of days and employee can earn. Mr. Day stated the company's position over the last 10, 12, and 14 years considers excessive abuse as three occurrences totaling six or more days, or four occurrences of any number of days. President Collins noted that sick days are not to be used as "paid time off", but to take when an employee is actually sick, and beyond a certain measure documentation is requested. Mr. Day stated Section "L" has been a part of the guidelines outside of the Policy and is now being proposed to be placed in the Policy. Chairman Masson asked Ms. Godwin what language she would recommend using. She stated she would take out the language "shall be placed on proof of illness" under those triggers, due to the triggers being too low. She stated the proposed language combines "excessive use" and "abuse" into one section that now any use is going to trigger a label of "abusive" sick leave and require a doctor's visit. Commissioner Sisnett commented that he is concerned with the low threshold of hours, in particular if an employee takes one hour of sick leave and then counted as one occurrence. Ms. Godwin noted that under pre-existing guidelines "sick abuse" was defined as using sick leave for reasons other than being sick; and further noted, old guidelines did not trigger a requirement for an excuse from a doctor for those three or four absences. Discussion continued between the Board and Ms. Godwin as to how to determine whether an employee is or isn't sick when using a sick day. Commissioner Cobbins stated based on the HR Committee Meeting held today, it seems as though a lot of progress has been made and they are close to a solution. He added that both sides are working on language. President Collins suggested the item be pulled from the Agenda, both sides meet, and mandate agreed language at the next meeting. Chairman Masson agreed and strongly emphasized that this must be resolved and brought to the Board at the next meeting for a vote.

**Motion To:** Delay Item No. 8 until the next Board Meeting on March 6, 2014 and be prepared for the Board of Commissioners to vote.

<b>RESULT:</b>	<b>DELAYED [UNANIMOUS]</b>
<b>MOVER:</b>	Steven Wishnia, Board Member
<b>SECONDER:</b>	Darrell T. Cobbins, Board Member
<b>AYES:</b>	Derwin Sisnett, Rick Masson, Steven Wishnia, Darrell T. Cobbins

### PRESIDENT'S BRIEFING (Continued):

2. Plus-1 Presentation - Beverly Perkins discussed the history of the Plus - 1 program. She reviewed the details of contributions throughout the past years and results of an audit of the program. She discussed various fund raising activities, the future of the program, ways to increase awareness, and the public's perception of the program. She emphasized the importance of updating the enrollment process.

3. Other - Jerry R. Collins, Jr.

### ADJOURNMENT

The meeting was adjourned at 3:05 p.m.

(See Minute File No. 1374)

Approved Without Interlineation

  
Chairman

These Minutes Compiled by Undersigned and  
are Correct

  
Secretary-Treasurer