



Board of Light, Gas and Water Commissioners

220 S. Main Street
Memphis, TN 38103

www.mlgw.com

Board Meeting

~ Minutes ~

Thursday, June 7, 2012

1:30 PM

Board Room

CALL TO ORDER AND OPENING REMARKS:

Chairman Wishnia

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

PLEDGE OF ALLEGIANCE:

Chairman Wishnia

The Pledge of Allegiance was recited.

ROLL CALL:

Dana Jeanes

The Secretary-Treasurer called the roll:

| Attendee Name | Title | Status | Arrived |
|-----------------|---------------|---------|---------|
| Derwin Sisnett | Board Member | Present | |
| Rick Masson | Vice Chairman | Present | |
| V Lynn Evans | Board Member | Present | |
| Steven Wishnia | Chairman | Present | |
| Darrell Cobbins | Board Member | Late | 2:01 PM |

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; Alonzo Weaver, Vice President, Engineering and Operations; and Lashell Vaughn, Vice President and Chief Technology Officer. Christopher Bieber, Vice President, Customer Care, and Von W. Goodloe, Vice President, Human Resources, were not present.

Janis Fullilove, Memphis City Councilwoman, was in attendance.

APPROVALS:

Motion To: Approve the Minutes of Meeting of May 17, 2012

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| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Derwin Sisnett, Board Member |
| SECONDER: | Rick Masson, Vice Chairman |
| AYES: | Derwin Sisnett, Rick Masson, V Lynn Evans, Steven Wishnia |
| ABSENT: | Darrell Cobbins |

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

The Secretary-Treasurer acknowledged receipt of Certified Copies of City Council Resolutions dated May 15, 2012, Items 20 through 28, approving items approved by the Board at its meeting held April 19, 2012 (see Minute File No. 1352); Item 29, approving item approved by the Board at its meeting held May 3, 2012 (see Minute File No. 1353);

and Item 34, approving item approved by the Board at its meeting held April 12, 2012 (see Minute File No. 1352).

PRESENTATION:1. National Kidney Foundation Award - Mary White

Mary White, Employee Activities, advised the Board that MLGW received First Place in the Corporate Division. Twenty-one employees participated and raised \$3,800.00. Ms. White was also commended.

GENERAL STATEMENTS FROM THE PUBLIC:

1. John Jones, 3284 Stella, Gas Crew Leader, addressed the Board regarding information he has requested but has not received. Gale Jones Carson will check into the matter.

(GENERAL STATEMENTS FROM THE PUBLIC is continued below)

PRESIDENT'S BRIEFING:1. Corporate Scorecard - 1st Quarter 2012 - Valerie McKinney

Commissioner Masson read from an article provided by Gale Jones Carson whereby Memphis ranks #2 (out of 10 cities) with the lowest cost of living. Contributing to that is the utility cost being 81% of the national average.

Odell Johnson addressed the Board regarding the Sanitary Survey of the Memphis Water System. The water system received a numerical rating of 100 for the first time.

(PRESIDENT'S BRIEFING is continued below).

GENERAL STATEMENTS FROM THE PUBLIC (Continued):

2. Janis Fullilove, City Councilwoman, 3320 Morning View Drive, 38128, congratulated MLGW on their numerical rating of 100 on the Sanitary Survey of the Memphis Water System. She also spoke in support of Roland McElrath as Controller for MLGW and commended Ms. Gloria Washington, MLGW employee, for helping with an elderly customer's utility bill a couple of weeks ago.

PRESIDENT'S BRIEFING (Continued):

2. Approval of Positions - Jerry R. Collins, Jr. for Von W. Goodloe
3. Other - Jerry R. Collins, Jr.
4. Review of Consent Agenda - Jerry R. Collins, Jr.

COMMITTEE REPORTS:1. Audit Committee Update - Commissioner Masson

Commissioner Masson chaired the meeting in the absence of Commissioner Evans. He stated the external audit reports for OPEB, Pension and the entire organization were reviewed.

2. Human Resources Committee Update - Commissioner Cobbins

Commissioner Cobbins stated the Committee met and heard the safety, diversity and grievance reports. Von Goodloe and Steve Day presented a spreadsheet showing the schedule of grievance hearings.

Regarding the issue related to the Gas Matrix employees, Commissioner Cobbins stated he was notified prior to the meeting that a few of the gentlemen had filed EEOC complaints, therefore, it was advised that the Committee hold off on hearing these issues.

Commissioner Evans asked President Collins if the quote was found in the transcript related to the Craig Powers' issue. The President stated "no."

3. Supplier Diversity Committee Update - Commissioner Sisnett

Commissioner Sisnett stated that the Committee met on May 17, and he introduced Ms. Renise Holliday.

a. Supplier Diversity Update - First Quarter 2012 - Renise Holliday

Ms. Holliday updated the Board on Supplier Diversity for the first quarter of 2012.

Motion To: Delete Item 19 from Consent Agenda

19. Resolution approving revised Human Resources Policy No. 21-01 - Employment of Relatives. (Jerry R. Collins, Jr./Von W. Goodloe)

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| RESULT: | DELETED [UNANIMOUS] |
| MOVER: | V Lynn Evans, Board Member |
| SECONDER: | Rick Masson, Vice Chairman |
| AYES: | Sisnett, Masson, Evans, Wishnia, Cobbins |

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 in these minutes and the original documents.

CONSENT AGENDA

(Items 1 through 18 and Items 20 through 22)

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| RESULT: | APPROVED [UNANIMOUS] |
| MOVER: | Rick Masson, Vice Chairman |
| SECONDER: | Derwin Sisnett, Board Member |
| AYES: | Sisnett, Masson, Evans, Wishnia, Cobbins |

CONSTRUCTION & MAINTENANCE DIVISION

1. Resolution awarding Contract No. 11504, Cooling Tower Rebuild Administration Building, to CS3 Inc., in the funded amount of \$623,400.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

2. Resolution awarding Contract No. 11534, Beale Street Landing Garage Variable Air Volume (VAV) Box Replacement & Direct Digital Controls (DDC) Controls, to Air Technical Services, in the funded amount of \$232,400.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving Change No. 9 to Contract No. 9955, Partial Funding of Pollution Control, Ground Water Quality Control Program, with Memphis & Shelby County Health Department, in the funded amount of \$139,632.90. (This change is to renew the current contract for 2012). (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
4. Resolution approving Change No. 2 to Contract No. 11399, Right of Way Mowing, with Rotolo Consultants, Inc., in the funded amount of \$236,256.00. (This change renews the contract for the second of four renewal terms, August 9, 2012 through August 8, 2013, which includes a 2.2% increase due to the governmental estimate of Cost of Living (COL) for 2011). (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
5. Resolution approving Change No. 2 to Contract No. 11443, Tire and Tire Repair Service, with Southern Tire Mart, in the funded amount of \$41,157.00, for a new contract amount of \$635,592.56. (This change is to increase the current contract value in the funded amount of \$41,157.00 to process invoices for work performed through the completion of the term which ended December 31, 2011. This change is due to non-contracted and 2010 charges that were misapplied to this contract with no recourse to remove the identified charges. Therefore, in order to pay the invoices, the contract value of this contract must be increased by said amount.). (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
6. Resolution rejecting bid received for Contract No. 11533, Variable Frequency Drive. (Jozelle Booker)
7. Resolution awarding 36-month blanket contract for flowable fill to Memphis Ready Mix in the amount of \$972,000.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

CUSTOMER CARE DIVISION

8. Resolution approving Change No. 5 to Contract No. 11070, Utility Meter Data Application, with Automated Energy, Inc. (AEI), in the funded amount of \$83,000.00. (This change is to enroll additional meters in the web-based Meter data analysis product known as "Load Profiler: but marketed by MLGW as "Meter Intelligence." This change is also to extend the current contract term for an additional term for the period covering January 1, 2013 to December 31, 2013. The price per unit will remain \$15 per meter per month, until such time MLGW reaches 250 meters, at which point a change order will be requested to accommodate the lower price point. A set-up fee of \$50 per meter will be charged for each new meter added to the service). (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

ENGINEERING & OPERATIONS DIVISION

9. Resolution awarding Contract No. 11501, Geotechnical Investigation, to Professional Service Industries, Inc., in the funded amount of \$26,057.50. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

10. Resolution awarding Contract No. No. 11527, 10 MBPS Metro Ethernet for LNG-Arlington, to AT&T, Inc., in the funded amount of \$32,400.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
11. Resolution awarding contract for remote terminal units to Telvent USA, LLC, in the amount of \$407,700.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
12. Resolution approving payment of invoice from the American Public Power Association for 2012 annual membership dues in the amount of \$103,476.90. (Alonzo Weaver) (REQUIRES CITY COUNCIL APPROVAL)

FINANCE DIVISION

13. Resolution awarding Contract No. 11544, Internal Controls Review and Fraud Risk Assessment, to Dixon Hughes Goodman, LLP, in the funded amount of \$67,000.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
14. Resolution awarding contract for conductor cable to Universal Scaffolding in the amount of \$451,042.00 and to The Okonite Company in the amount of \$94,523.00, for a total amount of \$545,565.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
15. Resolution awarding contract for smart switches to Stuart C. Irby in the amount of \$371,316.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
16. Resolution authorizing the execution, delivery and filing of the Morgan Keegan Settlement Proof of Claim Form (the "Claim Form") seeking recovery from both the States Fund and/or the SEC Fund, as applicable, of losses incurred by the OPEB Trust resulting from its investment in the Morgan Keegan Select High Income Fund in 2007 and 2008. (Dana Jeanes)
17. Resolution authorizing the execution, delivery and filing of the Morgan Keegan Settlement Proof of Claim Form (the "Claim Form") seeking recovery from both the States Fund and/or the SEC Fund, as applicable, of losses incurred by the Pension Fund resulting from its investment in the Morgan Keegan Select High Income Fund in 2007 and 2008. (Dana Jeanes)

GENERAL COUNSEL DIVISION

(None)

HUMAN RESOURCES DIVISION

18. Resolution approving the employment of Mr. Roland McElrath as Controller at an annual salary of \$133,016.00. (Jerry R. Collins, Jr.) (REQUIRES CITY COUNCIL APPROVAL)
19. Item 19 was deleted from Consent Agenda.

INFORMATION SERVICES DIVISION

20. Resolution approving Change No. 2 to Contract No. 11393, Network Maintenance, to Venture Technologies, Inc., in the funded amount of \$638,939.63. (This change renews the contract for the second of four renewal terms, October 15, 2012 through October 14, 2013, with no increase in rates. This change also increases the quantity of professional

services support due to MLGW's NERC compliance initiative). (Jozelle Booker)
(REQUIRES CITY COUNCIL APPROVAL)

21. Resolution awarding 60-month blanket contract for ruggedized laptop computers and accessories to USAT Corporation, in an amount not to exceed \$3,031,218.44. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT'S DIVISION

22. Resolution approving Change No. 4 to Contract No. 11185, Environmental Consulting Services, with Center for Toxicology and Environmental Health, in the funded amount of \$500,000.00. (This change is to increase the current contract in the funded amount of \$500,000.00 needed to maintain compliance with applicable environmental regulations. The current contract term will remain for the period covering January 1, 2012 to December 31, 2012). (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

Motion To: Approve same-day minutes for items 16 and 17

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| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Rick Masson, Vice Chairman |
| SECONDER: | V Lynn Evans, Board Member |
| AYES: | Sisnett, Masson, Evans, Wishnia, Cobbins |

ADJOURNMENT:

There being no further business, the meeting was adjourned at 3:00 p.m.

SEE MINUTE FILE NO. 1354.

APPROVED WITHOUT INTERLINEATION

Chairman

These Minutes Compiled by
Undersigned and are Correct.

Secretary-Treasurer