



# Board of Light, Gas and Water Commissioners

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

## Board Meeting

~ Minutes ~

Thursday, May 15, 2014

9:00 AM

Board Room

### CALL TO ORDER AND OPENING REMARKS:

Chairman Masson

The meeting was called to order at 9:01 a.m.

### PLEDGE OF ALLEGIANCE:

Chairman Masson

The Pledge of Allegiance was recited.

### ROLL CALL:

Dana Jeanes

Attendee Name	Title	Status	Arrived
Rick Masson	Chairman	Present	
Derwin Sisnett	Vice 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; Christopher Bieber, Vice President, Customer Care; Alonzo Weaver, Vice President, Engineering and Operations; and Von W. Goodloe, Vice President, Human Resources. Staff members not present at the meeting were Nick Newman, Vice President, Construction and Maintenance; Lashell Vaughn, Vice President and Chief Technology Officer; and Cheryl Patterson, Vice President and General Counsel. Todd Williams, Attorney, attended the meeting to serve as legal counsel due to Ms. Patterson's absence.

### APPROVALS:

**Motion To:** Approve Minutes of the Meeting of May 1, 2014.

<b>RESULT:</b>	<b>ADOPTED [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

### CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated May 6, 2014, Items 13 through 24. (See Minutes File No. 1376)

**PRESIDENT'S BRIEFING:**

1. Review of Consent Agenda - Jerry R. Collins, Jr.  
(President's Briefing Continued on Page 43)

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 6)

<b>RESULT:</b>	<b>APPROVED AS AMENDED [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

**CONSTRUCTION & MAINTENANCE DIVISION**

1. Resolution awarding a contract to Henry and Wright Corporation for the purchase of a diesel powered wire puller tensioner, in the amount of \$259,500.00. (Jozelle Booker)  
(REQUIRES CITY COUNCIL APPROVAL)

**CUSTOMER CARE DIVISION**

2. Resolution approving revisions to the 2014 Customer Care Policy, effective June 5, 2014. (Chris Bieber)
3. Resolution approving revisions to the 2014 Electric, Gas and Water Service Policy, effective June 5, 2014. (Chris Bieber)

**ENGINEERING & OPERATIONS DIVISION**

4. Resolution awarding Contract No. 11723, EMS/SCADA, to Open Systems International (OSI), in the funded amount of \$5,489,773.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

**FINANCE DIVISION**

(None)

**GENERAL COUNSEL DIVISION**

(None)

**HUMAN RESOURCES DIVISION****REQUEST TO APPROVE ITEM NO. 5 AS AMENDED**

5. Resolution approving an unpaid leave of absence for Letam K. Mbiinah for a maximum period of fourteen days and three hours, effective July 15, 2014 through August 1, 2014. (Von Goodloe)
6. Resolution awarding a forty-eight month blanket contract to Tyndale Company, Inc. for flame-resistant clothing, in the amount of \$1,451,120.99. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

**INFORMATION SERVICES DIVISION**

(None)

**PRESIDENT'S DIVISION**

(None)

**PRESIDENT'S BRIEFING (Continued):**

2. Budget Update - 1st Quarter 2014 - Roland McElrath acknowledged Cynthia Hailey, Tamieka Young, and Rod Cleek for their work done on the Budget. He also reported that each Division's net position was favorable. The Electric Division change in net position was favorable due to a favorable operating margin and lower operating expenses. The Gas Division change in net position was favorable due to the increase in operating margin and decreases in operating expenses. The Water Division change in net position was favorable due to lower O&M expenses and an increase in operating margin. He pointed out specific factors and statistics involved and also noted the cold winter months impact.

3. Other - Jerry R. Collins, Jr.

After the Budget presentation and mention of the winter storm, Chairman Masson asked President Collins to discuss preventative measures taken during storms, and in particular trees that damage power lines. President Collins stated MLGW spends approximately \$11,000,000 per year on tree trimming. He noted that most of the problems during storms come from trees knocking down the power lines. Chairman Masson noted he had recently reviewed the MLGW tree policy and stated we need to get the word out that it is the responsibility of the property owner to keep trees trimmed; however, the customer can request that MLGW remove trees obstructing power lines and MLGW will replace the trees with smaller, less obstructive trees, at no cost to the customer.

President Collins asked Dana Jeanes to report the good news of the bond ratings. Mr. Jeanes reported that Moody's gave an Aa2 electric rating and an Aa1 water rating. Standard and Poor's gave an AA+ electric rating and an AAA water rating. He stated he is particularly pleased with the AAA rating in water from S&P. The plan is to price the bonds early next week and should close a couple of weeks following the pricing. He stated he anticipates interest rates of 3.3% for the electric and 3.25% for the water. He will update the Board after that has been done. He acknowledged the Bond Team and expressed appreciation to them. The Bond Team is made up of the following staff members: Anne Walk who has been the Leader of the team this year, Roland McElrath, Rod Cleek, Chundria McClain, Tamieka Young, Charlotte Johnson, and Cheryl Patterson.

Mr. Jeanes also reported the results of the 2014 Utility Bill Comparisons for Selected U.S. Cities (also known as the annual rate survey). He stated he was pleased to report that Memphis ranked number one in regard to the lowest combined residential cost for electric, gas, water, and wastewater out of 26 cities surveyed. He commented he is pleased that MLGW is able to provide low rates and outstanding reliability for the customer's service, as well as remaining strong financially.


Commissioner Wishnia responded stating this is a great time to get the bonds issued due to the current low rates. He congratulated the staff.

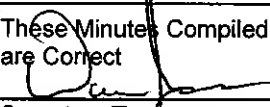
Chairman Masson noted that the "rates folks" are smart as well as very thorough and knowledgeable in their area of expertise. He also congratulated the staff and stated they should be very proud of this accomplishment.

## ADJOURNMENT

The meeting was adjourned at 9:27 a.m.

SEE MINUTE FILE NO. 1377.

Approved Without Interlineation  
  
Chairman

These Minutes Compiled by Undersigned and  
are Correct  
  
Secretary-Treasurer