



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Thursday, March 6, 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.

Chairman Masson commended the employees on their outstanding work during the storm restoration. He also stated he had noticed positive feedback from customers in regard to communications they have received from MLGW during the restoration. He also expressed appreciation to the out of state companies that have assisted in the restoration.

PLEDGE OF ALLEGIANCE:

Chairman Masson

The Pledge of Allegiance was recited.

ROLL CALL:

Dana Jeanes

Attendee Name	Title	Status	Arrived
Derwin Sisnett	Vice Chairman	Late	1:32 PM
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; Nick Newman, Vice President, Construction and Maintenance; Christopher Bieber, Vice President, Customer Care; and Von W. Goodloe, Vice President, Human Resources. Charlotte Griffin, Manager of Legal Services attended the meeting due to the absence of Cheryl Patterson, Vice President and General Counsel. Alonzo Weaver, Vice President, Engineering and Operations and Lashell Vaughn, Vice President and Chief Technology Officer were absent.

APPROVALS:

Motion To: Approve Minutes from Meeting of February 20, 2014.

RESULT: ADOPTED [UNANIMOUS]

MOVER: Steven Wishnia, Board Member

SECONDER: Derwin Sisnett, Vice Chairman

AYES: Derwin Sisnett, Rick Masson, Steven Wishnia, Darrell T. Cobbins

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

The Secretary-Treasurer acknowledged Receipt of Certified Copies of City Council Resolutions dated February 18, 2014, Items 11 through 18. (See Minute File 1374)

PRESENTATIONS:

TSPE (Memphis Chapter) Outstanding Employer of the Year Award - Philip Lim represented the company as Jittapong (JT) Malasri, Officer of the Memphis Chapter of TSPE, presented the award to President Collins and Chairman Masson.

GENERAL STATEMENTS FROM THE PUBLIC:

1. Deborah Godwin, Attorney representing IBEW and Bill Hawkins, IBEW Assistant Business Manager completed cards to address the Board regarding item #7. Chairman Masson requested they address the Board later in the meeting and would allow them and Management five minutes each to express their concerns and opinions. Each side agreed.

2. Mr. Michael Hagan, 2225 Walker Avenue, Memphis, TN 38104, works for a company located in Southaven that sells light duty vehicles and stated he could save MLGW approximately \$40,000 if the vehicles were purchased from his company. He requested the Board waive the local preference dealer this year due to the CNG vehicles (Item #2 on the Consent Agenda). He stated many of the employees of the company live in Shelby County and the City of Memphis and are customers of MLGW and pay taxes to the City and/or the County. Charlotte Griffin stated the Board has adopted this and could consider changing it; however, she would recommend changing it for all bidders rather than make exceptions. DaShena Watts stated it is not a Supplier Diversity issue, but it is a City Ordinance and the vendor must show proof of paying city or county taxes. Commissioner Sisnett stated he supports local preference and the idea is to attract companies to house businesses within the City. President Collins stated all of this was considered when the Resolution was adopted.

PRESIDENT'S BRIEFING:

1. Review of Consent Agenda - Jerry R. Collins, Jr.

(President's Briefing Continued on Page 23)

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 and Items 8 through 9)

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Derwin Sisnett, Vice Chairman
SECONDER:	Steven Wishnia, Board Member
AYES:	Derwin Sisnett, Rick Masson, Steven Wishnia, Darrell T. Cobbins

CONSTRUCTION & MAINTENANCE DIVISION

1. Resolution awarding contracts for light duty vehicles to Country Ford, in the amount of \$125,640.00 and to AutoNation Ford Memphis, in the amount of \$561,723.00. (Jozelle Booker)
(REQUIRES CITY COUNCIL APPROVAL)

2. Resolution awarding contract to AutoNation Ford Memphis for light duty CNG (compressed natural gas) vehicles, in the amount of \$784,279.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving payment of invoice from Tennessee One Call System, Inc., for the 2014 annual membership dues plus locate request tickets, in the amount of \$92,165.27. (Nick Newman) (REQUIRES CITY COUNCIL APPROVAL)

CUSTOMER CARE DIVISION

(None)

ENGINEERING & OPERATIONS DIVISION

4. Resolution approving Change No. 1 to Contract No. 11496, Allen and McCord Water Production Wells with Layne. (This change is to extend the current contract term to December 31, 2014. This extension will allow MLGW to complete well testing and acceptance of the constructed wells.) (Jozelle Booker)
5. Resolution approving payment of invoice from Tennessee Regulatory Authority, for the TRA inspection fee for 2013, in the amount of \$78,000.00. (Alonzo Weaver) (REQUIRES CITY COUNCIL APPROVAL)
6. Resolution approving payment of invoice from Tennessee Valley Public Power Association, for the 2014 annual membership dues, in the amount of \$51,021.89. (Alonzo Weaver) (REQUIRES CITY COUNCIL APPROVAL)

FINANCE DIVISION

(None)

GENERAL COUNSEL DIVISION

(None)

HUMAN RESOURCES DIVISION

7. Item No. 7 Moved to Regular Agenda – See Page 23 of the Minutes.

INFORMATION SERVICES DIVISION

(None)

PRESIDENT'S DIVISION

(None)

REQUEST TO MOVE ITEM NO. 7 TO THE REGULAR AGENDA/REQUEST TO "ADD ON" ITEMS 8 AND 9 TO THE CONSENT AGENDA/REQUEST TO APPROVE SAME DAY MINUTES FOR ITEM 9

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Steven Wishnia, Board Member
SECONDER:	Derwin Sisnett, Vice Chairman
AYES:	Derwin Sisnett, Rick Masson, Steven Wishnia, Darrell T. Cobbins

Item No. 8 - Resolution approving Change No. 7 to Contract No. 11320, Local Dial Tone Services with Windstream Communications, in the funded amount of \$66,300.00. (This change is to extend the current contract term for the period covering April 1, 2014 to October 1, 2014 to solicit proposals and select a vendor. 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 March 31, 2014.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

Item No. 9 - Resolution approving the selection of the investment consultant for the benefit of the MLGW Retirement and Pension Fund in the amount of \$175,000 annually under contract #11599. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)

REGULAR AGENDA

(Item 7)

RESULT:	APPROVED AS AMENDED [UNANIMOUS]
MOVER:	Steven Wishnia, Board Member
SECONDER:	Derwin Sisnett, Vice Chairman
AYES:	Derwin Sisnett, Rick Masson, Steven Wishnia, Darrell T. Cobbins

Item No. 7 - 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)

Steve Day addressed the Board stating there had been several meetings between Management and the Union over the last couple of weeks. He summarized the changes that Management is requesting. He discussed the common grasp on changing and clarifying items of the policy that Management and the Union had agreed to since the last Board Meeting. There had been an increase from number of partial day absences from four to six. The language of "extensive" versus "excessive" had not been settled between the Union and Management.

Debra Godwin of 50 North Front Street, Attorney representing IBEW, stated there is still one important point which is separating the proof of illness requirement and the question of the language in Section "L". She expressed concerns and triggers and stated when employees earn twelve sick days a year, but after four occurrences, could be labeled as an employee of "excessive or extensive abuse" of sick leave wasn't fair. Bill Hawkins added additional comments to reiterate her points.

The Board Members interjected questions clarifying the facts and language as stated in the policy. Commissioner Cobbins suggested in the last paragraph of page 14 of 15 of the redline document, the word "shall" be changed to "may". The suggestion of the revision was accepted by all Board Members.

PRESIDENT'S BRIEFING (Continued):

2. Budget Update - 4th Quarter 2013 - Roland McElrath reported that each Division's net position was favorable. He explained the factors and statistics involved such as operating expenses and operating margin.

3. Corporate Scorecard Update - 4th Quarter 2013 - Valerie McKinney reported improvement of the total corporate score from 91.7 in 2012 to 94.5 in 2013. She explained the scoring and data

accumulated for perception index, customer service delivery index, resource index, financial index, utility supply index, reliability index, employee index, and safety index.

4. Other - Jerry R. Collins, Jr.

Michael Taylor reported on recent interesting occurrences with LNG. He discussed the impact of the price of the gas trades beginning on Friday and ending on Monday. He explained how that, combined with the impact of the weather, allowed for a substantial savings of approximately \$350,000 over the weekend due to having LNG at our disposal. He stated LNG has been used three or four times instead of natural gas.

Nick Newman updated the Board on the status of the storm restoration. Approximately 60,000 customers had been restored with 1,300 remaining. He noted that north Shelby County, Frayser and Millington areas were hit really hard by the storm. He stated the crews are working safe and there had been no major injuries.

President Collins reported that the street light fee Resolution failed at the City Council meeting. The original approved fees are currently in effect and nothing can be change for six months.

COMMITTEE REPORTS:

Supplier Diversity Committee Report - Commissioner Derwin Sisnett stated the Committee met on February 20 and have made great strides for 2013. He then turned the floor over to Renise Holliday to report.

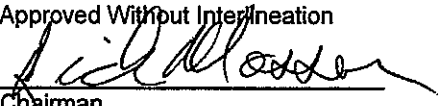
Supplier Diversity Update - 4th Quarter 2013 - Renise Holliday reviewed areas of interest and expressed excitement regarding the fourteen new participants in the Supplier Diversity Program. She discussed partnerships with advocate groups and networking. She detailed the positive results of 2013 compared to the last two years, and gave the Board an opportunity to ask questions.

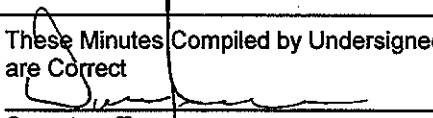
Human Resources Committee Report - Commissioner Darrell Cobbins reported that the Committee met two weeks ago and heard the Safety Report from Mr. William McCaig. He stated employee injuries were discussed and seem to be an on-going challenge and is at the forefront of safety efforts. Commissioner Cobbins stated the Employee Utilization Report was heard also. He stated there is a need to stay focused on females in non-traditional roles and that the MLGW University will continue to offer seminars and job fairs. He also stated Policy 22-13 was discussed at the last meeting as well.

ADJOURNMENT:

The meeting was adjourned at 3:06 p.m.

(See Minute File No. 1375)

Approved Without Interlineation

Chairman

These Minutes Compiled by Undersigned and
are Correct

Secretary-Treasurer