



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Friday, May 1, 2015

1:00 PM

Board Room

CALL TO ORDER AND OPENING REMARKS:

Chairman Sisnett

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

PLEDGE OF ALLEGIANCE:

Chairman Sisnett

The Pledge of Allegiance was recited.

ROLL CALL:

Dana Jeanes

Attendee Name	Title	Status	Arrived
Derwin Sisnett	Chairman	Present	
Darrell T. Cobbins	Vice Chairman	Present	
Steven Wishnia	Board Member	Absent	
Carlee McCullough	Board Member	Absent	
Rick Masson	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; Von W. Goodloe, Vice President, Human Resources; and Lashell Vaughn, Vice President and Chief Technology Officer. Christopher Bieber, Vice President, Customer Care and Alonzo Weaver, Vice President, Engineering and Operations did not attend the meeting.

APPROVALS:

Motion To: Approve Minutes of the Meeting of April 15, 2015.

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

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated April 21, 2015, Items 19 through 26. (See Minutes File No. 1388)

PRESENTATIONS:

1) Art Contest Winners - Jerry R. Collins, Jr. presented the awards to the 2014 Art Contest Winners. Each winner and their teacher won a \$125 gift certificate each to The Art Center. The winners were:

Elementary School Winner: Peabody Elementary
Project Title: "Sing Shorter Songs"
Student: Cameron Weatherspoon (5th grade)
Teacher: Shelley Momany

Middle School Winner: Appling Middle School
Project Title: Untitled
Student: Allison Grace Throm (6th Grade)
Teacher: Tabitha Boddie

High School Winner: Wooddale High School
Project: "Self Portrait on an Idea"
Student: Isaiah Neil (11th Grade)
Teacher: Charles D. Adair

2) Check Presentation to MIFA - Proceeds from Pole Attachments - Beverly Perkins presented a check to Sally Heinz, Phyllis Phillips, and Genevieve Hill-Thomas for \$55,807 for Plus-1.

GENERAL STATEMENTS FROM THE PUBLIC:

1. A. J. Daneman, 2934 Capri Street - Addressed the Board stating he is against smart meters due to privacy.
2. Trudy Stamps, 1801 Whatling - Addressed the Board stating she objected to how the meeting was being held. She stated smart meters have multiple flaws and expressed her thoughts on opting out.
3. Jimmie Franklin, 487 N. Highland - Stated he wants to learn more about smart meters and understand the difference in the current meters and smart meters.
4. Minister Suhkara Yahweh, 870 E. McLemore - Requested to speak more than three minutes, but Chairman Sisnett denied the request. He stated his responsibility is to tell people of the dangers of smart meters. He also discussed the research done by Dr. David Carpenter.
5. Cathie Auxier, 10840 Monterey Forest Cove - Expressed her displeasure with the handling of the meeting. She stated the PILOT program was a failure. She stated the numbers do not add up compared to previous statements provided by Eliza King, and questioned where are the other 5,000 smart meters.
6. Lee Cochran, 179 Richbriar - Stated his issue is with the security of the power grid of smart meters. He discussed national security threats and his concerns.
7. Yvonne Burton, 442 Dove Valley - Discussed the total cost of the smart meters being \$240,000,000 and asked when rate payers will receive the increase.
8. Arthur Everett, 442 Dove Valley - Stated he does not want smart meters and stated the majority of the residents do not want them. He stated he sees no need for a change from analog meters.
9. Hugh Eulls , (Name was called but was not present)

10. Ray Bratcher, 2226 Tidmington Dr. - Gave President Collins a letter of research and asked him to distribute copies to the Board Members after the meeting. He stated people are dying from smart meters and stated cities are recalling them.

11. Bill Hawkins, IBEW, 4000 Clearpool Circle - Handed out a packet of information to President Collins and to the Board Members. He discussed a meeting with management and said he still does not have some of their questions answered. He talked about the money being spent and said this needs to be done most cost effectively by allowing MLGW employees to install the smart meters. He states they have Managers that can manage this project. He discussed the expenses being added into the job and stated MLGW has employees and Managers capable of doing the job in-house.

After Mr. Hawkins spoke, Chairman Sisnett asked Mr. Hawkins if he is personally against smart meters. He acknowledged he is against smart meters both personally and in regard to the Union. Chairman Sisnett questioned him as to why request to install them when he and the Union oppose them?

Commissioner Masson asked President Collins to address the difference in the 55,000 smart meters versus 60,000 pointed out by Ms. Auxier. Eliza King responded and stated 60,000 meters were purchased to have spare meters in storage. Commissioner Masson also asked about national/cyber security. President Collins stated MLGW has met the NERC standards and "have passed with flying colors". Commissioner Masson asked if a list of cities exists that have deployed at 100%. President Collins mentioned multiple cities that are at 100% deployment, as well as cities working toward 100% deployment.

Commissioner Masson asked if any one of the MLGW customers that spoke has a smart meter. No one responded that they did.

President Collins requested a 5 minute recess; he asked employees that were in attendance of the meeting for an item on the Agenda not pertaining to the smart meters, to please free up their seats temporarily for the public to hear Eliza King's presentation. This was done and the public was able to be present for the entire presentation, as well as questions and comments after the presentation, prior to voting on the Consent Agenda.

PRESIDENT'S BRIEFING:

1. Presentation (Item No. 4 of Consent Agenda) - Contract No. 11776 - Elster Solutions, LLC - Eliza King presented a power point presentation titled "MLGW's Smart Journey to Improve Customer Satisfaction". She provided statistics to the various phases of the process from beginning to current. She shared early success stories and the MLGW vision with smart meters. She highlighted the customer benefits such as reduced fees, faster service, and pre-pay options. She provided an anticipated savings scenario.

After the presentation, the Commissioners moved back to their respective places at the podium and were given the opportunity to direct questions and comments in regard to the statements made by the public and Mr. Hawkins.

Vice-Chairman Cobbins asked Mr. Hawkins if he had reviewed the cost comparison provided by Management in regard to out-sourcing versus in-house costs for the installation of the smart meters. Mr. Hawkins stated not all questions had been answered and there had not been enough time to prepare a proper presentation on behalf of the Union, due to the Board Meeting being moved up one week. He stated based on the initial look of the comparison, MLGW employees can do the work at a cost savings compared to out-sourcing. President Collins responded by explaining in the past, over an eight month period, MLGW forces had installed

60,000 meters, but had to work 35,000 hours of overtime. He stated there was a backlog of 18,000 tickets at that time, which was understandable, which is a very strong indication that the MLGW work force cannot install these meters, and this installation should be out-sourced. President Collins did confirm that the MLGW work force will install large commercial and industrial smart meters.

Vice-Chairman Cobbins asked about the minority participation if the job is approved to be out-sourced. Eliza King stated the contractor that won the bid is a minority company.

Commissioner Masson commented on the journey of smart meters. He discussed when he first joined the Board, one of the big challenges was the number of customer complaints regarding estimating of bills. He stated he is glad to hear there will be no estimating.

Chairman Sisnett stated he finds it odd that the Union wants to install the meters when they are opposed to them. He spoke of a comment that was made when one of the public speakers spoke, and made a point of saying his integrity is not compromised, and wanted to state that "for the record". He pointed out that he is proud of the MLGW staff and management for potentially moving forward with the idea of minority participation. President Collins had stated earlier in the meeting that 75% of the people installing the meters would be from Memphis or Shelby County.

Vice-Chairman Cobbins addressed Mr. Hawkins and reminded him the Union has approximately two weeks to counter what management's cost comparison shows. He stated due to this being a major economic decision for the organization, and understanding this meeting was moved up, not by management, but based on the schedule of the Commissioners, prior to the Minutes being approved at the next Board Meeting, the Union can provide information to the Board for their review and consideration.

Chairman Sisnett responded that he agreed with Vice-Chairman Cobbins on that action.

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

(President's Briefing Continued on Page 39)

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 15)

RESULT:	APPROVED TO "ADD ON" ITEM NO. 15 AND APPROVED CONSENT AGENDA [UNANIMOUS]
MOVER:	Rick Masson, Board Member
SECONDER:	Darrell T. Cobbins, Vice Chairman
AYES:	Derwin Sisnett, Darrell T. Cobbins, Rick Masson
ABSENT:	Steven Wishnia, Carlee McCullough

CONSTRUCTION & MAINTENANCE DIVISION

1. Resolution awarding Contract No. 11755, Street Light Construction Contract for the South Cordova Annexation, to Standard Electric Company, Incorporated, in the funded amount of \$1,144,500.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

2. Resolution awarding a thirty-six month contract to Memphis Ready Mix, for concrete, in the amount of \$3,598,168.40. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

CUSTOMER CARE DIVISION

3. Resolution approving Change No. 6 to Contract No. 10907, Data Feed Analysis, with CQG, Incorporated, in the funded amount of \$29,873.00. (This change is to renew the contract for an additional 13-month term covering the period July 1, 2015 through July 31, 2016. This renewal increases the number of users receiving the New York Mercantile Exchange (NYMEX) pricing feeds and reconciles enablement changes and exchange fee increases in 2014. Further, staff is authorized to enable services accessed by users to meet the needs of MLGW during the term of this renewal. Additional fees incurred due to exchange fee increases will be reconciled during the next renewal period. MLGW is requesting approval of the renewal to this web-based access system, which can only be provided by CQG, Incorporated.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
4. Resolution awarding Contract No. 11776, Smart Meter Solution Full Deployment, to Elster Solutions, LLC, in the funded amount of \$240,000,000.00, for work to be done over a period of approximately five years. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

ENGINEERING & OPERATIONS DIVISION

5. Resolution approving Change No. 1 to Contract No. 11450, Peak Period Call Management System, with Twenty First Century Communications, Incorporated, in the funded amount of \$4,580.00. (This change includes purchasing two routers capable of handling Multiprotocol Label Switching (MPLS) traffic and security licenses, supported by Maxxis Network Service. In addition, this upgrade will result in a decrease in connections, support and the current backup Integrated Services Digital Network (ISDN) lines and Plain Old Telephone Services (POTS) lines which will no longer be needed. The contract term will remain through January 31, 2016.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
6. Resolution approving Change No. 1 to Contract No. 11527, 10 MBPS Metro Ethernet for Liquefied Natural Gas (LNG) Arlington, with AT&T, Incorporated, in the funded amount of \$10,800.00. (This change is to renew the current contract for the first of two renewal terms covering the period July 23, 2015 through July 22, 2016, with no increase from the previous year.) (Jozelle Booker)
7. Resolution awarding a contract to Black Box Network Services, for the Electric Operations voice telephone equipment upgrade, in the amount of \$436,142.28. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

FINANCE DIVISION

(None)

GENERAL COUNSEL DIVISION

8. Resolution approving a rate schedule for the law firms of Constangy, Brooks, Smith & Prophete, LLP, for legal services rendered concerning, labor, employment and workers' compensation matters uniquely related to the utility industry. (Cheryl Patterson) (CITY COUNCIL APPROVAL REQUIRED)

9. Resolution approving the Quarterly Report of the Customer Appeal Committee. (Cheryl Patterson)

HUMAN RESOURCES DIVISION

10. Resolution approving revisions to Human Resources Policy No. 23-07, Breaks and Meal Periods. (Jerry R. Collins, Jr./Von Goodloe)
11. Resolution approving revisions to Human Resources Policy No. 23-09, Drug/Alcohol Policy and Procedures. (Jerry R. Collins, Jr./Von Goodloe)
12. Resolution approving the following positions: Position No. 03467 - Attorney 3 and Position No. 05877 - Distribution Design Engineer 1. (Jerry R. Collins, Jr./Von Goodloe)

INFORMATION SERVICES DIVISION

13. Resolution approving Change No. 8 to Contract No. 9547, IBM Maintenance, with International Business Machines (IBM), in the funded amount of \$227,405.12. (This change is to renew the current contract for annual software licenses, maintenance, and support for the following IBM products: WebSphere MQ (Message Queue) z/OS, Enterprise COBOL z/OS (Operating System for IBM's zSeries 900 Servers), z/OS Base, z/OS DFSORT and WebSphere MQ processors. This renewal is for the period covering July 1, 2015 through June 30, 2016. In addition, for the period covering January 1, 2016 through June 30, 2016, this change will reflect an increase not to exceed 5% in the unit cost due to IBM changing their licensing model effective January 1, 2016. However, this increase is offset by the adjustment in licenses from 4,000 to 2,000 for the Hewlett Packard Distribution hardware as a result of eliminating one of the two systems. MLGW is requesting continuous maintenance of the acquired system, which can only be performed by IBM.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT'S DIVISION

14. Resolution awarding a twenty-four month contract to Mitchell Graphic Repair, to cover maintenance for the printing equipment, in the amount of \$46,268.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

REQUEST TO ADD ON ITEM NO. 15 TO CONSENT AGENDA

Item No. 15 - Resolution awarding a contract to Tropos Networks Inc., a subsidiary of ABB Inc., for outdoor wireless mesh routers, in the amount of \$157,114.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT'S BRIEFING (Continued):

3. 2015 Schedule of Charges - Margie Borrum-Smith reviewed the proposed changes and gave the Board Members the opportunity to ask questions. The item will be brought to the next Board Meeting for a vote.

4. Other - Jerry R. Collins, Jr.


COMMITTEE REPORTS:

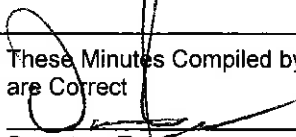
(None)

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:33 p.m.

(See Minute File No. 1389)

Approved Without Interlineation

Chairman

These Minutes Compiled by Undersigned and
are Correct

Secretary-Treasurer