



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Thursday, August 15, 2013

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

Attendee Name	Title	Status	Arrived
Derwin Sisnett	Board Member	Present	
Rick Masson	Vice Chairman	Present	
Steven Wishnia	Chairman	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 of Meeting of August 1, 2013.

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

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated August 6, 2013, Items 8 through 18. (See Minute File No. 1367.)

GENERAL STATEMENTS FROM THE PUBLIC:

Mr. Jim Dorroh, 2228 Washington Avenue, Memphis, addressed the Board regarding a billing problem from a previous residence located at 409 S. Second St. He stated MLGW is billing him for approximately \$1,500 from the previous residence, due to the meter not being installed properly. He stated his meter and a neighbor's meter were not connected properly and they were paying each other's utility bill. The neighbor had complained of her bill being high and MLGW conducted an investigation on-site and found no issues. He stated when he was contacted later regarding the matter, he was told the electrician had mislabeled the meter, and when MLGW investigated, no trace out was done. He felt this was out of his control and he should not be responsible for paying the bill. President Collins responded stating he would have this investigated and Mr. Dorroh would be contacted.

PRESENTATIONS:

(None)

PRESIDENT'S BRIEFING:

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

(President's Briefing Continued on Page 187)

REQUEST TO "ADD ON" TO CONSENT AGENDA:

Motion To: ADD ITEM NO. 17 AND 18 TO CONSENT AGENDA

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

Item No. 17 - Resolution approving Change No. 2 to Contract No. 11451, Courier Services, to Express Courier International, Incorporated, to renew the current contract, in the funded amount of \$155,961.39. (This change is to renew the current contract for the second of four annual renewal terms covering the period September 7, 2013 through September 6, 2014, in the funded amount of \$152,176.05. This change also reflects an increase in the number of stops from 212 to 216 as well as a decrease in rates from the previous year. In addition, this renewal includes contingency funds for possible emergency stops in the amount of \$3,785.34. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

Item No. 18 - Resolution to approve the Amended Schedule of Fees for Street Lighting Service for the City of Memphis to become effective with Cycle 1 of the January 2014 revenue month. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)

CONSENT AGENDA

(Items 1 through 18)

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

CONSTRUCTION & MAINTENANCE DIVISION

1. Resolution awarding Contract No.11617, Beale Street Landing Garage Boiler Replacement to Air Technical Services, in the funded amount of \$60,100.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
2. Resolution awarding Contract No. 11605, Replace Leibert AC Unit in MLGW Administration Building Cafeteria to Air Technical Services, in the funded amount of \$71,275.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving Change No. 1 to Contract No. 11535 Pest Control, to Nu Era Pest Control, to renew the current contract in the funded amount of \$28,420.00. The new contract value is \$95,097.00. (This change is to renew the current contract for the first of four renewal terms covering the period November 1, 2013 to October 31, 2014 in the funding amount of \$28,420.00. This change also reflects no increase in rates from the previous year.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
4. Resolution awarding contracts to Stribling Equipment Company LLC, in the amount of \$69,550.00 for the purchase of a hydraulic backhoe loader and H & E Equipment Services in the amount of \$74,839.00 for the purchase of a crawler excavator, totaling \$144,389.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
5. Resolution awarding contract to Diamond International Trucks for the purchase of an EPRI (Electric Power Research Institute) Odyne PHEV (Plug-in Hybrid Electric Vehicle) aerial tower, in the amount of \$171,209.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

CUSTOMER CARE DIVISION

(None)

ENGINEERING & OPERATIONS DIVISION

6. Resolution awarding contracts to Telvent USA, LLC, in the amount of \$72,500.00, Utilicor, in the amount of \$6,606.00 and CG Automation Solutions USA, Inc., in the amount of \$3,022.50, totaling \$82,128.50, for purchase of remote terminal units. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
7. Resolution awarding Contract No. 11630, 2014 ECDA Inspection/Survey of Natural Gas Pipeline, to Southern Cross Pipeline Integrity Services, LLC., in the funded amount of \$198,500.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

8. Resolution approving payment of annual facility maintenance fee for public water systems, to Tennessee Department of Environment and Conservation, in the amount of \$124,017.95. (Alonzo Weaver) (REQUIRES CITY COUNCIL APPROVAL)

FINANCE DIVISION

9. Resolution awarding contract to Marmon Utility LLC, formerly Kerite, for medium voltage power cable, in the funded amount of \$523,461.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
10. Resolution requesting approval of a revised Procurement Complaint and Appeals Process to be approved and adopted as the official rules governing the procedures of Memphis Light, Gas and Division regarding procurement complaints and appeals. (Dana Jeanes)
11. Resolution approving actuarial funding to the Retirement and Pension System in the amount of \$30,705,469.00, for the 2013 Plan Year. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)
12. Resolution approving the selection of Courage Credit Opportunities Fund III (distressed debt fund) to manage approximately \$10,000,000 for the benefit of the MLGW OPEB Trust Fund, as part of a reallocation. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)

GENERAL COUNSEL DIVISION

13. Resolution approving and adopting the revised Rules of Procedure as the official rules governing the procedures of the meetings of the Board of Light, Gas and Water Commissioners. (Cheryl Patterson)
14. Resolution authorizing payment of approximately one-third of the costs of certain right of way stabilization and repair work completed by Valero MKS Logistics, L.L.C., along Nonconnah Creek, for the benefit of the three pipelines operated in the identified right of way by MLGW and Valero, and that MLGW enter into an Amendment to Agreements to Construct, Operate and Lease Pipeline with Valero, as successor in interest to Mid-America Pipeline Company and Williams Refining and Marketing, L.L.C., providing for the funding of that one-third portion of the costs of the work through a \$24,853.81 reduction in the Initial Term Monthly Fees for the lease of the 20" Pipeline payable by Valero to MLGW under those certain Agreements to Construct, Operate and Lease Pipelines, dated March 6, 2001 and December 22, 1983, between MLGW and MAPL as amended and that certain Agreement to Construct, Operate and Lease Pipelines, dated March 6, 2001, between MLGW and Williams, as amended. The reduction in fee shall be for the period beginning October 1, 2013 and ending July 2016 for a total value of \$697,865.00. After the above-described reduction the Initial Term Monthly Fee to be received by MLGW for the 20" Pipeline shall be \$71,962. (Cheryl Patterson) (REQUIRES CITY COUNCIL APPROVAL)

HUMAN RESOURCES DIVISION

(None)

INFORMATION SERVICES DIVISION

15. Resolution approving Change No. 3 to Contract No. 11393, Network Maintenance, to Venture Technologies, Incorporated, to renew the current contract, in the funded amount of \$606,457.07. (This change renews the current contract for the third of four renewal terms covering the period October 15, 2013 through October 14, 2014 in the funded amount of \$606,457.07. This change reflects no increase in rates from the previous year.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
16. Resolution approving Change No. 2 to Contract No. 9716, Sysout Manager Software, with Software Engineering of America, to renew the current contract with no increase in contract value. (This change is to renew annual software maintenance and support services as well as license fees. The term of the software maintenance and support services is for a three year term covering the period October 1, 2013 to September 30, 2016 with no increase from the previous year in the funded amount of \$24,188.61 which will be absorbed in the current contract value. MLGW is requesting approval of continuous maintenance of the acquired system, which can only be performed by Software Engineering of America.) (Jozelle Booker)

PRESIDENT'S DIVISION

(None)

17. (Item No. 17 - Request to Add On)
18. (Item No. 18 - Request to Add On)

REQUEST FOR SAME DAY MINUTES FOR ITEMS 17 AND 18:**Motion To:** Approve Same Day Minutes for Items 17 and 18

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

PRESIDENT'S BRIEFING (Continued):

2. NERC Update – Lashell Vaughn – Official NERC audit date begins August 26, 2013 and will continue through mid-September; however, MLGW was required to be compliant to the NERC 706 Regulatory Standards since October, 2012. She discussed the top eight violated non-compliant items based on NERC standards. She reported that she expects a positive outcome, stressing that accomplishing a 100% score is very

difficult, but feels MLGW is prepared. She expressed her appreciation to everyone and stated she is very proud of everyone that has worked so hard and put so much time into this effort.

3. Budget Update - 2nd Quarter 2013 - Roland McElrath

4. Other - Jerry R. Collins, Jr.

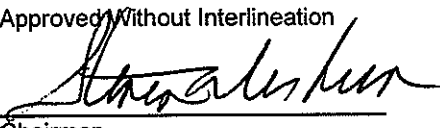
(1) Chairman Wishnia appointed Commissioner Sisnett as the Chairman of the Procurement Complaint and Appeals Committee. (See Item # 10 of the Consent Agenda.) The Board questioned General Counsel, Cheryl Patterson, to clarify specific processes such as responsibilities and processes. The item was approved on the Consent Agenda today.

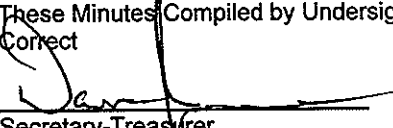
(2) Commissioner Cobbins asked President Collins about the incident involving Substation #21 and the raccoon, which had shut down power in that area. President Collins reported that precautions, such as clean up and removal of trees, was being done to prevent wild animals from being attracted to these areas and causing future outages.

ADJOURNMENT :

There being no further business, the meeting was adjourned at 2:11 p.m.

SEE MINUTE FILE NO. 1368.

Approved Without Interlineation

Chairman

These Minutes Compiled by Undersigned and are
Correct

Secretary-Treasurer