



# Board of Light, Gas and Water Commissioners

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

## Board Meeting

~ Minutes ~

Wednesday, September 21, 2016

1:00 PM

Board Room

### CALL TO ORDER AND OPENING REMARKS:

Chairman Sisnett

The meeting was called to order at 1:01 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	Present	
Carlee McCullough	Board Member	Present	
Mitch Graves	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 the Meeting of September 7, 2016.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Mitch Graves, Board Member
<b>SECONDER:</b>	Carlee McCullough, Board Member
<b>AYES:</b>	Graves, Sisnett, Cobbins, Wishnia, McCullough

### CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated September 6, 2016, Items 10 through 18. (See Minute File No. 1404.)

### PRESENTATIONS:

(None)

**GENERAL STATEMENTS FROM THE PUBLIC:****PRESIDENT'S BRIEFING:**

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

(President's Briefing Continued on Page 88)

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 12)

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Carlee McCullough, Board Member
<b>SECONDER:</b>	Steven Wishnia, Board Member
<b>AYES:</b>	Graves, Sisnett, Cobbins, Wishnia, McCullough

**CONSTRUCTION & MAINTENANCE DIVISION**

1. Resolution approving Change No. 1 to Contract No. 11840, Professional Engineering Services for Central Support Services, with Thompson Engineering, Incorporated, in the funded amount of \$19,910.00. (This change is to increase the current contract value in the funded amount of \$19,910.00 to cover the design fees for two 2016 projects: 1) the water and sump pump replacements in the Administration Building; and 2) the Beale Street Landing Garage Air Handling Unit #2. The design fees for these projects were not calculated in the original award amount. The contract term will remain through May 1, 2017.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
2. Resolution approving Change No. 5 to Contract No. 11491, System Furniture, with Staples, in the funded amount of \$69,529.51. (This change is to increase the current contract value through the current contract term which ends January 22, 2017. The increase is needed to replenish funds used for unanticipated furniture purchases.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving Change No. 4 to Contract No. 11539, Mobile Document Shredding Services, with Vital Records Control, Incorporated, in the funded amount of \$23,520.00. (This change is to renew the current contract for the fourth and final annual renewal term covering the period January 4, 2017 through January 3, 2018, with no increase in rates from the previous year.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
4. Resolution awarding Contract No. 11881, Tire and Tire Services, to Wingfoot Commercial Tire Systems, LLC, d/b/a Goodyear Commercial Tire & Service Centers, in the funded amount of \$826,830.56. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
5. Resolution approving Change No. 1 to Contract No. 11770, Trash Removal/Solid Waste Services, with Waste Connections of Tennessee, Incorporated, in the funded amount of \$141,169.12. (This change is to renew the current contract for the first of four annual renewal

terms for the period covering January 4, 2017 through January 3, 2018, with no increase from the previous year.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

6. Resolution awarding Contract No. 11859, Duct Lining-Lt. George W. Lee Avenue (Between the Westin Hotel and Third Street), to Hill Services, Incorporated, in the funded amount of \$145,200.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

#### **CUSTOMER CARE DIVISION**

7. Resolution approving Contract No. 11924, Interlocal Agreement between Memphis Light, Gas and Water Division and the Town of Arlington, Tennessee for Storm Water Fee billing services within Arlington's corporate limits. (Chris Bieber) (REQUIRES CITY COUNCIL OF APPROVAL)
8. Resolution approving Contract No. 11923, Interlocal Agreement between Memphis Light, Gas and Water Division and the City of Millington, Tennessee, for solid waste and storm water user fee billing services within the corporate limits of the City of Millington, Tennessee. (Chris Bieber) (REQUIRES CITY COUNCIL APPROVAL)

#### **ENGINEERING & OPERATIONS DIVISION**

9. Resolution approving the payment of an invoice from the City of Memphis Public Works Department for the annual sewer discharge fee for the 2015 filter backwash discharge for seven water pumping stations in the amount of \$412,489.08. (Alonzo Weaver) (REQUIRES CITY COUNCIL APPROVAL)
10. Resolution approving MLGW's Cross Connection Control Program Plan. (Alonzo Weaver)

#### **FINANCE DIVISION**

(None)

#### **GENERAL COUNSEL DIVISION**

(None)

#### **HUMAN RESOURCES DIVISION**

11. Resolution approving Change No. 1 to Contract No. 11622, Employee Benefit Dental Plan, with Delta Dental of Tennessee, in the estimated funded amount of \$2,439,924.00. (This change is to renew the current contract for the first of two annual renewal terms for the period covering January 1, 2017 through December 31, 2017.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

#### **INFORMATION SERVICES DIVISION**

12. Resolution awarding Contract No. 11898, Wireless Network Upgrade and Enhancement Project, to Venture Technologies, Incorporated, in the funded amount of \$121,682.08. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

#### **PRESIDENT'S DIVISION**

(None)

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

2. NERC Update - Allan Long reported that two audits have been done and both went well. He congratulated Lashell Vaughn and Alonzo Weaver in their success of the audits. He stated that we must be compliant at all times. Commissioner Wishnia asked how much NERC costs annually. President Collins stated that the cost is approximately \$5 million annually and there are approximately 80 employees working on NERC to remain compliant. Chairman Sisnett asked if we were not compliant what would it cost the company. President Collins said others have been fined up to \$100 million. He also noted that NERC compliance makes us a better utility company and gave accolades to Alonzo Weaver, Allan Long, and all of their staff.

3. HR Policies - #23-20, #23-26, #23-29 - Rutha Griffin reported on Policy #23-20, Data Security Policy, and stated the revisions include revising the definition and revising language for clarity. Policy #23-36, Computer Equipment Usage, revised the title to reflect the appropriate title name and the definition. The revisions also address employee use and good business judgment in limiting use of these resources for personal use. Policy #23-29, Internet/Emails, revisions include adding references and clarifies Data Security Officer and Users responsibility for compliance with this policy.

4. 2017 Preliminary Budget - Jerry R. Collins, Jr. presented the time line anticipated for the 2017 Preliminary Budget, with the final action of the Minutes being approved at the City Council on November 15, 2016. He discussed the strong financial condition of MLGW and the fact we are still able to provide the lowest combined electric, gas, water, and sewer rates in the country. He stated MLGW has the best water supply ranking second lowest water rates in the country. He stated that the average electricity bill in Memphis averages \$115 per month and the average peak electricity bill is \$180 per month. He also stated that MLGW has well-funded Pension and OPEB trust funds, and to our knowledge, the best funded OPEB trust in the country. He also reported that as a general rule, if a utility's assets are less than 50% depreciated, then it is considered to not have a serious infrastructure issue. All three divisions' net capital assets depreciation is below 50%. He also noted that due to the increased regulatory emphasis on Cross Connections, our annual expenses will be increasing substantially. The cost of the current program will be increasing by \$885,000 annually. The budget proposes to recover all the costs of the Cross Connection Program (\$1.45 million) through a Cross Connection Service Fee through the Schedule of Charges of the MLGW Service Policy. The proposed fee will be a monthly charge of \$6.05 to all commercial and industrial customers (approximately 20,000). The 2017 Preliminary Budget will be included on the next MLGW Board Meeting Agenda.

5. Other - Jerry R. Collins, Jr.

**COMMITTEE REPORTS:**

Human Resources Committee Report - Vice-Chairman Darrell Cobbins reported on the September 7, 2016 HR Committee Meeting. He stated that Charles Perry gave the same report presented to the Board at the last meeting. The three policies presented today were also presented to the committee. They heard the breakdown of step 4 grievances in an effort to hone in on grievance numbers and understand grievances in a more granular way. Also, Garland Crawford, Interim Safety Director, reported on the comparison of other utilities and their safety statistics. He pointed out preventable vehicular accidents seem to be our main issue. However, compared to other utilities, it is challenging to compare due to the size of our equipment, shift work, and other factors. A Safety Campaign will be rolled out, as well as other activities in an effort to improve our safety issues.

**ADJOURNMENT**

The meeting was adjourned at 1:42 p.m.

(See Minute File No. 1405.)

Approved Without Interlineation

Chairman

These Minutes Compiled by Undersigned and  
are Correct

Secretary-Treasurer