



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Wednesday, October 7, 2015

1:00 PM

Board Room

CALL TO ORDER AND OPENING REMARKS:

Chairman Sisnett

The meeting was called to order at 1:21 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	Late	1:23 PM
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; 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 16, 2015.

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

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE: Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated September 15, 2015, Items 11 through 21 and Items 28 and 29. (See Minute File No. 1393.)

PRESENTATIONS:

(None)

GENERAL STATEMENTS FROM THE PUBLIC:

1. Lesa Britt Walton, Director of Internal Audit, 220 S. Main, Memphis, addressed the Board stating she was speaking for transparency purposes to inform the Board she is married to Mr. Jimmie Walton's son, Reginald Walton. She stated Mr. Jimmie Walton is her father-in-law and he is an employee of CDA and has no ownership interest in CDA; other than his normal employment compensation with them. In the near future, the Board will be voting on the security contract, and she stated during the last contracting process an anonymous letter was sent to the Board and the President disclosing untruths about Mr. Walton's employment status versus ownership interest. She referenced HR Policy #23-15, Standards of Business Conduct. She stated it is in the best interest for her to disclose this information now due to the fact the Board may be evaluating the security contract in the near future. *(A handout will be filed in the vault pertaining to her speaking.)*

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 19)

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

CONSTRUCTION & MAINTENANCE DIVISION

1. Resolution awarding a contract to H and E Equipment Services, Inc., for a detachable gooseneck trailer, in the amount of \$79,761.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
2. Resolution approving Change No. 6 to Contract No. 11516, Tire and Tire Repair Services, with Southern Tire Mart, in the funded amount of \$966,795.89. (This change is to renew the current contract for the fourth and final annual renewal term covering the

period January 1, 2016 through December 31, 2016, in the funded amount of \$966,795.89, which reflects a 1% increase in rates from the previous year. This increase is due to an increase in services and labor costs.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

3. Resolution awarding Contract No. 11797, Line Clearance Minor, to Asplundh Tree Expert Company, in the funded amount of \$3,393,787.77. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

CUSTOMER CARE DIVISION

(None)

ENGINEERING & OPERATIONS DIVISION

4. Resolution approving Change No. 3 to Contract No. 10699, Title Plant Access Agreement, with Fidelity National Title Group, in the funded amount of \$105,000.00. (This change is to renew the current contract for a five year period covering March 1, 2016 through February 28, 2021, with no increase from the previous renewal. Fidelity National Title Group is the only title plant with property records from 1830's to present.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
5. Resolution awarding a contract to Henry Pratt Company, for butterfly valves and electric actuators, in the amount of \$168,104.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
6. Resolution awarding Contract No. 11789, McCord Pumping Station High Service Pump No. 5 Motor Replacement, to Tri-State Armature and Electrical Works, Incorporated, in the funded amount of \$73,036.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
7. Resolution approving Change Order No. 3 to Contract No. 11498, Internet Service Provider, with Windstream Communications, in the funded amount of \$2,976.78. (This change is to increase the Internet bandwidth from 20 Mbps to 200 Mbps for the period covering November 1, 2015 through April 30, 2016. This change is needed to support MLGW's primary Internet traffic due to an increase in users and applications.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
8. Resolution awarding a contract to Brighter Days and Nites, Inc., for switchgears, in the amount of \$328,999.60. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

FINANCE DIVISION

9. Resolution approving Change No. 4 to Contract No. 11508, Utility Payment Centers, with FirstTech, in the funded amount of \$218,000.00. (This change is to renew the current contract for the fourth and final renewal term for the period covering November 15, 2015 through November 14, 2016, with no increase in rates from the previous year.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

GENERAL COUNSEL DIVISION

(None)

HUMAN RESOURCES DIVISION

10. Resolution approving MLGW Human Resources Policy No. 22-06, Accommodation for Nursing Mothers. (Jerry R. Collins, Jr./Von Goodloe)
11. Resolution approving revisions to MLGW Human Resources Policy No. 22-11, Family Medical Leave Act. (Jerry R. Collins, Jr./Von Goodloe)
12. Resolution approving revisions to MLGW Human Resources Policy No. 23-03, Parking and Traffic Rules. (Jerry R. Collins, Jr./Von Goodloe)
13. Resolution approving position number 01431 - Lineman. (Jerry R. Collins, Jr./Von Goodloe)
14. Resolution approving Change No. 5 to Contract No. 11465, Contract Security Services, with CDA, Incorporated, in the funded amount of \$838,105.00. (This change is to request additional funding to cover the provision of services until the end of the current contract term on December 31, 2015. This increase is needed to replenish contract funds used due to unforeseen requests for security services. In addition, MLGW is requesting the ratification of the continued use of security services and the payment of invoices prior to the final approval of this Change.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

INFORMATION SERVICES DIVISION

15. Resolution awarding Contract No. 11799, Network Maintenance, to Venture Technologies, Incorporated, in the funded amount of \$736,151.97. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
16. Resolution awarding a contract to DLT Solutions, Inc., for Red Hat Software renewal and support, in the amount of \$63,400.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
17. Resolution awarding a contract to Mythics, Inc., for Oracle software licenses, in the amount of \$495,781.58. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
18. Resolution awarding Contract No. 11811, Firewall Upgrade Enhancement and Replacement of MLGW's Network Security Infrastructure, to Venture Technologies, Incorporated, in the funded amount of \$564,304.85. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
19. Resolution awarding Contract No. 11812, Two Factor Authentication System for the SCADA Network, to Venture Technologies, Incorporated, in the funded amount of \$71,142.54. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT'S DIVISION

(None)

PRESIDENT'S BRIEFING (Continued):

2. 2016 Preliminary Budget - Jerry R. Collins, Jr. presented the proposed 2016 Preliminary Budget to the Board with a power point presentation. He pointed out the planned budget schedule and MLGW's strong financial condition, including a healthy Pension Plan and OPEB Trust Fund. Graphs and charts demonstrated that Memphis has the lowest residential rates in the nation. He discussed the 2016 key budget drivers. He stated that trees are the number one cause of outages at MLGW; therefore, the proposed budget includes increasing the tree trimming budget to \$14.4 million in 2016, as well as moving from a 3-4-5 year tree trimming cycle to a 3-year trimming cycle. Pictures in the presentation showed the need for rehabilitation of pipes and aerators at the Mallory and Allen Pumping Stations. He discussed the increase in environmental costs in 2016, street light maintenance efforts, the addition of positions to the workforce, the PILOT, and the increase in legal expenses. A water rate increase of 22% is being proposed to achieve positive change in net assets. He pointed out even with these rate actions, MLGW customers would still have the lowest combined residential utility bills in the country. The Board was given the opportunity to ask questions and offered the Board Members an opportunity to meet, call, or e-mail him with questions or comments prior to the October 21, 2015 Board Meeting.

3. Other - Jerry R. Collins, Jr.

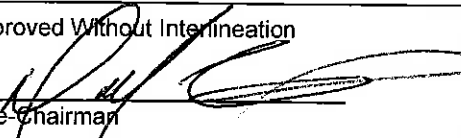
COMMITTEE REPORTS:

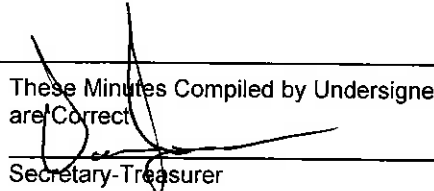
(None)

ADJOURNMENT:

There being no further business, the meeting was adjourned at 1:51 p.m.

(See Minute File No. 1394.)

Approved Without Interlineation

Vice-Chairman

These Minutes Compiled by Undersigned and
are Correct

Secretary-Treasurer