



# Board of Light, Gas and Water Commissioners

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

## Board Meeting

~ Minutes ~

Thursday, October 23, 2014

1:30 PM

Board Room

### CALL TO ORDER AND OPENING REMARKS:

Chairman Masson

The meeting was called to order at 1:40 p.m.

### PLEDGE OF ALLEGIANCE:

Chairman Masson

The Pledge of Allegiance was recited.

### ROLL CALL:

Dana Jeanes

Attendee Name	Title	Status	Arrived
Derwin Sisnett	Vice Chairman	Present	
Carlee McCullough	Board Member	Present	
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; 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; and Von W. Goodloe, Vice President, Human Resources. Lashell Vaughn, Vice President and Chief Technology Officer did not attend the meeting.

### APPROVALS:

Motion To: Approve Minutes of the Meeting of October 9, 2014.

**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Steven Wishnia, Board Member  
**SECONDER:** Carlee McCullough, Board Member  
**AYES:** Sisnett, McCullough, Masson, Wishnia, Cobbins

### CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated October 7, 2014, Items 8 through 21. (See Minute File No. 1381)

### PRESENTATIONS:

1. United Way Presentation - Kevin Watkins, Chair of the United Way Campaign, gave an overview of planned multiple events to raise funds for United Way. He is so confident that MLGW will meet their goal of \$642,760 he has committed to shave his beard when the goal is met. Ms. Elise Bone with Meritan discussed various services her organization offers and how they partner with United Way to assist those in need. Ms. Brenda Gaines-Ollie with United Way thanked President Collins for his participation in United Way. She discussed the models of their

organization. She thanked the employees for their continued support in volunteering and their charitable donations.

2. United Way Golf Tournament Check Presentation - David Staggs and David Vick presented a check for \$8,500. Mr. Staggs thanked the employees for their donations and participation.

### GENERAL STATEMENTS FROM THE PUBLIC:

1. Chet Kibble, Sr., 3229 Lakeview Road, Memphis, TN - Mr. Kibble stated EPA has not heard from MLGW to work on a solution pertaining to lead in water. He referenced a book titled "Renovate Right". He discussed fines involved when renovations of older homes are not followed according to EPA regulations. He stated the City is not enforcing the regulations pertaining to renovations in older homes. He also discussed the fluoride in the water and health problems involved. He encouraged the Board Members to become more educated in fluoride research and the negative impact it makes.

2. Minister Suhkara Yahweh, 870 East McLemore - Handed out a document to the Board Members pertaining to a citizen's arrest warrant. (A copy of the document will be placed in the vault as official documentation.) He discussed cumulative poisons, lead and fluoride in the water, and SmartMeters.

Commissioner Cobbins asked Mr. Kibble and Minister Yahweh to clarify what they are asking of the Board. He stated he is not 100% clear on what they are requesting as it relates to the lead and the fluoride. Minister Yahweh stated he wants fluoride taken out of the water and remove SmartMeters because he states they are surveillance devices and project radiation.

Commissioner Wishnia responded explaining MLGW cannot remove fluoride from the water due to the fact it is a City Ordinance. He also stated disturbing the lead pipes would cause more problems with lead in the water. Commissioner Wishnia compared SmartMeters to cell phones and stated cell phones are not being banned.

Mr. Kibble commented that the CDC realized they made a serious mistake in 2010 when setting the standards of acceptable lead in water. His hope is to make the public more aware and work together.

Minister Yahweh referenced a study by David Carpenter pertaining to SmartMeters.

Commissioner McCullough asked Minister Yahweh if he is against SmartMeters if they are optional. Minister Yahweh's answer was not completely clear, but stated he had been told that opting out is not an option. President Collins responded stating as long as there was no history of theft, opting out is an option. Commissioner McCullough asked Mr. Kibble what he is specifically asking the Board to do. He stated he is looking for cooperation from MLGW and the City to communicate with the community. Commissioner McCullough asked him to clarify that he is requesting an open dialog with the community. He stated yes and his goal is to collaborate with MLGW and teach other cities that Memphis will take a lead in this cause.

### PRESIDENT'S BRIEFING:

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

(President's Briefing Continued on Page 98)

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 19)

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b> Items 1 through 6 and Items 8 through 19
<b>MOVER:</b>	Steven Wishnia, Board Member
<b>SECONDER:</b>	Derwin Sisnett, Vice Chairman
<b>AYES:</b>	Sisnett, McCullough, Masson, Wishnia, Cobbins

### **CONSTRUCTION & MAINTENANCE DIVISION**

1. Resolution awarding Contract No. 11703, Administration Building UPS Generator Replacement, to Pyramid Electric, Incorporated, in the funded amount of \$1,945,000.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
2. Resolution requesting approval of an invoice payment to Service Electric Company for Contract No. 11613, Emergency Storm Restoration Agreement, based on agreed upon rates, in the total funded amount of \$432,664.49. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution awarding a twenty-four month contract to Metro Materials, Inc., for the purchase of cement treated base, in the approximate amount of \$360,126.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

### **CUSTOMER CARE DIVISION**

4. Resolution approving Change No. 1 to Contract No. 11331, Credit Information Services, with Experian Information Solutions, in the funded amount of \$55,000.00. (The initial term of this contract was for a 60-month period from the date of the Notice to Proceed in the funded amount of \$250,000.00. This change is to increase the current contract value in the funded amount of \$55,000.00 through the current term, which ends June 30, 2015. The change is needed to replenish funds used due to an increase in the volume of credit assessments.) (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

### **ENGINEERING & OPERATIONS DIVISION**

5. Resolution requesting advanced approval to assist in expediting the material requisition necessary to install light emitting diode (LED) street lighting infrastructure to accommodate the South Cordova annexation and the Elvis Presley Boulevard Beautification project. Resolution also requests approval that MLGW be allowed to purchase any additional ancillary materials necessary to effect the installation of the LED street lighting infrastructure to accommodate the South Cordova annexation and the Elvis Presley Boulevard Beautification project. The total anticipated cost of these items is approximately \$3,500,000. (Alonzo Weaver) (REQUIRES CITY COUNCIL APPROVAL)
6. Resolution awarding a contract to TESSCO, Inc., for telecommunication equipment, in the amount of \$178,187.20. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

**FINANCE DIVISION**

7. (Item No. 7 Removed from the Consent Agenda and added to the Regular Agenda)
8. Resolution approving the selection of GoldenTree Asset Management, LP, a private debt manager, to manage approximately \$37,000,000.00 for benefit of the MLGW Retirement and Pension Fund, as part of a reallocation. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)
9. Resolution approving the selection of WP Global Partners Private Debt Co-Investment Fund III to manage approximately \$5,000,000.00 for the benefit of the MLGW OPEB Trust Fund, as part of a reallocation. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)
10. Resolution approving the selection of Medley Capital LLC, a private debt manager, to manage approximately \$25,000,000.00 for benefit of the MLGW Retirement and Pension Fund, as part of a reallocation. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)
11. Resolution approving the selection of GoldenTree Asset Management, LP, a private debt manager, to manage approximately \$13,000,000.00 for benefit of the MLGW OPEB Trust Fund, as part of a reallocation. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)
12. Resolution approving the selection of Courage Capital Management, LLC, a private debt manager, to manage approximately \$20,000,000.00 for benefit of the MLGW Retirement and Pension Fund, as part of a reallocation. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)
13. Resolution awarding a sixty month contract to Unisource Worldwide, Inc., for paper products for all MLGW washroom facilities, in the amount of \$426,044.36. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
14. Resolution awarding a thirty-six month contract to Brighter Days and Nites, Inc., for underground tap and terminal kits, in the amount of \$593,934.85. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
15. Resolution awarding a twelve month contract to Brighter Days and Nites, Inc., for conch XLP wire, in the amount of \$174,607.20. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

**GENERAL COUNSEL DIVISION**

(None)

**HUMAN RESOURCES DIVISION**

16. Resolution awarding Contract No. 11671, Workers' Compensation Consulting to Oliver Wyman Actuarial Consulting, in the funded amount of \$81,250.00. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)
17. Resolution approving an unpaid leave of absence for Fatoumata Ba for a maximum period of ten days, effective December 17, 2014 through January 2, 2015. (Von Goodloe)

**INFORMATION SERVICES DIVISION**

18. Resolution awarding a contract to Presidio Networked Solutions, Inc., for a F5 Load Balancing Solution, in the amount of \$72,933.26. (Jozelle Booker) (REQUIRES CITY COUNCIL APPROVAL)

**PRESIDENT'S DIVISION**

(None)

**REQUEST TO "ADD ON" ITEM NO. 19 TO CONSENT AGENDA**

Motion To: Add Item Number 19 to Consent Agenda

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Steven Wishnia, Board Member
<b>SECONDER:</b>	Darrell T. Cobbins, Board Member
<b>AYES:</b>	Sisnett, McCullough, Masson, Wishnia, Cobbins

19. Resolution to amend the Schedule of Fees for Street Lighting Service to become effective with Cycle 1 of the December 2014 revenue month. (Jerry R. Collins, Jr.)

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Item No. 7 Removed From Consent Agenda and Moved to Regular Agenda

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b> <b>Moved Item No. 7 from Consent Agenda to Regular Agenda</b>
<b>MOVER:</b>	Steven Wishnia, Board Member
<b>SECONDER:</b>	Derwin Sisnett, Vice Chairman
<b>AYES:</b>	Sisnett, McCullough, Masson, Wishnia, Cobbins

Floor Opened for Discussion of Item No. 7: Resolution approving the Budgets for the Electric, Gas and Water Divisions for the 2015 operation and maintenance expenses and the 2015 capital expenditures, and to approve revisions to the Water Rate Schedules. The resolution also petitions the Memphis City Council to convene as a rate making body in a public hearing on November 18, 2014, and authorizes the President to publish a public notice of the intention of MLGW to seek approval from the Memphis City Council of the water rate revisions. (Jerry R. Collins, Jr.) (REQUIRES CITY COUNCIL APPROVAL)

Chairman Masson informed everyone present that each Board Member had met "one-on-one" with President Collins and Mr. Jeanes prior to today's meeting and had been given the opportunity to ask questions and study the details of the Budget.

Commissioner McCullough stated she could not vote for a rate increase.

Commissioner Wishnia stated he sees the increase as positive due to the fact if the State were mandating an increase it could be higher than what MLGW is requesting.

President Collins distributed a chart showing comparisons of rate increases of other cities since 2004. He mentioned several cities and the levels of their water rate increases to the average customer over that period of time. They varied from a total of approximately \$9.00 per month in excess of \$20.70 per month. In comparison, MLGW (Memphis) has only increased water rates at a total of \$3.64 per month to the average customer since 2004. President Collins stated we don't want to "short change" our system, which happens to have a lot better water than other cities, so we can maintain the level of service and quality of water the citizens of Memphis and Shelby County deserve at an economical rate. Currently MLGW has the second lowest water rates of any major city in the country.

Commissioner Cobbins asked if prior to the Cargill closing announcement, was a water increase anticipated. President Collins responded no. Commissioner Cobbins pointed out that he was presented with a graph during his individual meeting with President Collins and Mr. Jeanes which shed light on the need for the increase. Commissioner Cobbins said for the sake of public record, he believes from an operational standpoint the increase is warranted.

President Collins pointed out that the rate increase will not increase revenues and will essentially maintain revenues where they are, which will allow MLGW to maintain and address fixed expenses.

### **Regular Agenda**

(Previously Item No. 7 of the Consent Agenda)

<b>RESULT:</b>	<b>ADOPTED [4 TO 1]</b>
<b>MOVER:</b>	Steven Wishnia, Board Member
<b>SECONDER:</b>	Derwin Sisnett, Vice Chairman
<b>AYES:</b>	Derwin Sisnett, Rick Masson, Steven Wishnia, Darrell T. Cobbins
<b>NAYS:</b>	Carlee McCullough

Resolution approving the Budgets for the Electric, Gas and Water Divisions for the 2015 operation and maintenance expenses and the 2015 capital expenditures, and to approve revisions to the Water Rate Schedules. The resolution also petitions the Memphis City Council to convene as a rate making body in a public hearing on November 18, 2014, and authorizes the President to publish a public notice of the intention of MLGW to seek approval from the Memphis City Council of the water rate revisions. (Jerry R. Collins, Jr.) (REQUIRES CITY COUNCIL APPROVAL)

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

*NOTE: (Chairman Rick Masson left the meeting at 2:36 p.m. and Vice-Chairman Sisnett took over leading the remainder of the meeting)*

2. Health & Medical Benefits Report - Second Quarter, 2014 - Charles Perry reported that the Healthcare Plan continues to perform well. A 7% premium increase is recommended for 2015, which is within the national average. Conceptually the Plan is moving toward Excise or "Cadillac" tax levels from all definite indications. He stressed the importance of participants using the Plan wisely so it will remain secure and viable for the future.

3. Other - Jerry R. Collins, Jr.

President Collins reported that MLGW had received the JD Power results for the first quarter of 2015 for the Electric Residential category and scored 683, which is the highest score ever received by MLGW. Among 140 utility companies that are surveyed, MLGW's score was better than 85 others. President Collins pointed out that a lot of progress has been made over seven years and he expressed his gratitude to all the employees for their hard work in accomplishing this.

**ADJOURNMENT :**

The meeting was adjourned at 2:58 p.m.

See Minute File No. 1382.

Approved Without Interlineation

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Vice-Chairman

These Minutes Compiled by Undersigned and  
are Correct

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Secretary-Treasurer