

MEMPHIS LIGHT, GAS & WATER DIVISION OFFICIAL MINUTES	
Meeting Time: September 2, 2010 at 3:00 P.M.	
Meeting Location: Board Room, Fifth Floor, Administration Building, Memphis, Tennessee	



The meeting was called to order by Chairman Cobbins at 3:00 p.m.

The Pledge of Allegiance was recited.

Chairman Cobbins re-ordered the agenda. Committee Report Updates will be moved to the end of the meeting. General Statements from the Public will be heard prior to the approval of the minutes.

The Secretary-Treasurer called the roll. The following Board Members were present: Darrell T. Cobbins, Chairman; Dedrick Brittenum, Jr., Vice Chairman; Rick Masson; *V. Lynn Evans; and Steven Wishnia. *Commissioner Evans had a prior commitment and left the meeting at 4:00 p.m.

The following staff members were present: Jerry R. Collins, Jr., President and CEO; John McCullough, 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 Linda Peppers, Vice President and Chief Technology Officer.

GENERAL STATEMENTS FROM THE PUBLIC:

1. Mr. Bert Wolf, Attorney, Husch Blackwell, 200 Jefferson, Suite 1501, addressed the Board on behalf of Express Scripts.
2. Bill Hawkins, Assistant Business Manager, IBEW Local 1288, 4000 Clearpool Circle, addressed the Board regarding Items 1, 2, 4 and 15.
3. Robert McLaughlin, 1111 Market Street, Chattanooga, TN, and Kim Funderburk, 3400 Players Club Parkway, addressed the Board on behalf of CIGNA.
4. Dot Milford, 1922 Little John Road, Millington, TN, addressed the Board regarding prescription drugs.
5. Sylvester Tate, 6099 Mt. Moriah Road, addressed the Board on behalf of CIGNA.
6. William S. Crawford, 1716 Forsythe Trail, Collierville, TN, addressed the Board regarding awarding of contracts to higher bidders.
7. Ricky Wickham, 6068 Pebblehill Drive, Bartlett, TN, addressed the Board on behalf of United Healthcare and Express Scripts.
8. Judy Kirksey, 4309 Greenwood Plaza Blvd., Denver, CO, addressed the Board on behalf of United Healthcare.
9. John Farris, 6420 Blue Heron Cove, addressed the Board on behalf of United Healthcare.
10. Dick Gardiner, 1734 Gosnold Bluff Road, Collierville, TN, addressed the Board regarding their fiduciary responsibilities.
11. Anthony Tate, 5100 Poplar Avenue, addressed the Board on behalf of CIGNA.
12. Sandra Kinsey, 7613 Dexter Hills, President of the Retired Employees Association of MLGW, addressed the Board regarding the Medco contract.
13. Dee Sheats, 436 Dana, addressed the Board regarding future healthcare premiums.
14. Betty Rome, 7693 Fairway Forest, Cordova, TN, addressed the Board regarding prescription costs for retirees.
15. Joe Curtis, 6235 Old Tipton Road, Millington, TN, addressed the Board regarding cost savings in healthcare.
16. Roby S. Williams, 160 Island Place, addressed the Board on behalf of CIGNA.
17. Rickey Lewis. Mr. Lewis passed.

Commissioner Wishnia moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held August 19, 2010, that they be recorded as the official record, seconded by Commissioner Evans and unanimously carried. (See Pages 97 and 98 for further motions related to the minutes of August 19, 2010).

Commissioner Evans moved that after personally reading and reviewing the typed minutes of the special called Memphis Light, Gas and Water Board meeting held August 23, 2010, that they be recorded as the official record, seconded by Commissioner Masson and unanimously carried.

The Secretary-Treasurer acknowledged receipt of Certified Copies of City Council Resolutions dated August 24, 2010, Items 8 through 13, approved by the MLGW Board at meeting held August 5, 2010 (see Minute File No. 1332).

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 in these minutes and the original documents.

REGULAR AGENDA

1. Resolution awarding Contract No. 11405, Medical Administrative Services, to CIGNA Insurance Company in the funded amount of \$115,950,000.00.

FAILED

CONSENT AGENDA

2. Resolution awarding Contract No. E9979, Energy Smart, to Batchelor's Improvements in the funded amount not to exceed \$375,000.00.

APPROVED

3. Resolution awarding Contract No. 11393, Network Maintenance, to Venture Technologies, Inc. in the funded amount of \$669,311.17.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

4. Resolution approving Change No. 9 to Contract No. 10765, Private Label Service Agreement, with Aclara Software in the funded amount of \$127,500.00. (This change covers customization of residential Load Presentment module, including time-based electric interval meter data presentment, electric bill-to-date and rate comparison tools in My Account for access by households participating in MLGW's Smart Grid Demonstrations. This change includes all fees to host this tool through December 2012).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

5. Resolution approving Change No. 3 to Contract No. 11240, Influenza Vaccine, with Methodist Healthcare Alliance Health Services in the funded amount of \$32,000.00. (This change renews the contract for the third of four renewal terms, October 20, 2010 to October 19, 2011, with no increase in rates).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

6. Resolution approving Change No. 1 to Contract No. 11313, Sampling Energized Distribution Transformers, with Jaco Construction, Inc. with no increase in contract value. (This change extends the current contract for an additional three-month term, October 1, 2010 to December 31, 2010).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

7. Resolution approving Change No. 1 to Contract No. 11437, Emergency Aid Agreement, with Standard Electric Company in the funded amount of \$78,464.13. (This change covers work performed as a result of the storms on April 26, 2010 in the amount of \$50,243.83 and May 2, 2010 in the amount of \$28,220.30).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

8. Resolution rejecting proposals received for Contract No. 11396, Security Services.

APPROVED

9. Resolution awarding 24-month contract for ACSR wire to Universal Scaffolding & Equipment, LLC in the amount of \$594,079.38.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

10. Resolution awarding contract for leakage detection system to Fluid Conservation Systems in the amount of \$74,650.00. (Jozelle Booker)

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

11. Resolution awarding contract for SONET Multiplexers to GE Consumer & Industrial in the amount of \$206,600.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

12. Resolution approving employment of American Disabilities Consultants, Inc. on an as-needed basis at agreed-upon hourly rates.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

13. Resolution approving a Lease Agreement between MLGW and Belz Investco GP for property located at 5791 Summer Trees, covering a five-year term, in an amount not to exceed \$1,617,233.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

14. Resolution approving Position No. 00492, Supervisor, Commercial/Industrial Gas Metering; Position No. 01616, Utility Worker II; and Position No. 03210, Facilities Locator.

APPROVED

15. Resolution approving revised MLGW Human Resources Policy No. 23-04 – Travel (MLGW Business).

APPROVED

16. Resolution approving revised MLGW Human Resources Policy No. 23-08 – Use of Vehicles for MLGW Business and/or Mileage Reimbursement.

APPROVED

17. Resolution approving revised MLGW Human Resources Policy No. 23-19 – Corporate Procurement Cards.

APPROVED

18. Resolution approving release of easement to MSMM – II Realty Investment Company, property located on the southeast corner of South Houston Levee Road and Winchester Road, for the sum of \$1.00.

APPROVED

19. Resolution approving appropriation of \$259,160.00 to purchase sodium hypochlorite.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

20. Resolution amending the current contract to continue with the current provider (United Healthcare), not less than six months and no more than 12 months, up to the current rates, for the purpose of putting a blended RFP out for proposal.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

ROLL CALL ITEM NO. 1 (CIGNA):

MOTION: Commissioner Wishnia
SECOND: Commissioner Evans

Commissioner Masson reiterated his support for United Healthcare, specifically due to the savings in premiums and the savings to the OPEB Fund.

Vice Chairman Brittenum commented on the RFP process and the preparation of a new blended RFP.

Vice Chairman Brittenum moved to stay with the current provider for no less than six months, not to exceed 12 months, for the purpose of putting an RFP back out on the street. Commissioner Wishnia accepted the motion as an amendment to his motion, but later withdrew the amendment in order to address the original motion.

NAYS: Commissioner Masson
 Vice Chairman Brittenum
AYES: Commissioner Wishnia
 Chairman Cobbins

ITEM NO. 1 FAILED

The Chairman stated that due to a prior commitment, Commissioner Evans had to leave the meeting at 4:00 p.m; therefore, she was not present during Roll Call.

ROLL CALL ON ITEM NO. 20 (United Healthcare):
(It was noted that Item 20 would be added to the agenda from the floor without objection).

MOTION: Vice Chairman Brittenum
SECOND: Commissioner Masson
AYES: Commissioner Masson
 Commissioner Wishnia
 Vice Chairman Brittenum
NAYS: Chairman Cobbins

ITEM NO. 20 PASSED

Commissioner Wishnia expressed his frustration with the process. He wondered whether the Medco contract should be revisited.

It was moved by Commissioner Wishnia, seconded by Commissioner Masson and unanimously carried that Item No. 19 be and is hereby added to the Consent Agenda.

ROLL CALL ON CONSENT AGENDA, AS AMENDED (Items 2 through 20):

MOTION: Commissioner Masson
SECOND: Commissioner Wishnia
AYES: Commissioner Masson
 Commissioner Wishnia
 Vice Chairman Brittenum
 Chairman Cobbins

CONSENT AGENDA APPROVED, AS AMENDED

APPROVAL OF MINUTES OF ITEMS 9, 14 AND 19 OF TODAY'S AGENDA:

It was moved by Commissioner Wishnia, seconded by Vice Chairman Brittenum and unanimously carried that the minutes of Items 9, 14 and 19 of today's agenda be and are hereby approved.

COMMITTEE REPORTS:1. Human Resources Committee Update – Commissioner Masson

- a. Policy No. 22-09 – Leave of Absence
- b. Policy No. 22-03 – Bonus Days

Commissioner Masson stated that the above policies will be presented to the Board in approximately one month.

2. Supplier Diversity Committee – Commissioner Evans

- a. Supplier Diversity Update – Second Quarter 2010 –
Renise Holliday

Ms. Holliday reported that \$4.5 million was spent in the Second Quarter of 2010 with supplier diversity.

Discussion was held on whether or not the Board should revisit the Medco contract.

It was moved by Commissioner Wishnia, seconded by Commissioner Masson and unanimously carried that the approval of the minutes of meeting held August 19, 2010, be reconsidered.

Further discussion was held regarding the RFP process and revisiting Express Scripts/Medco.

It was moved by Commissioner Wishnia, seconded by Commissioner Masson and unanimously carried to open up the item on Express Scripts/Medco from the minutes of August 19, 2010, for reconsideration.

After more discussion, it was moved by Commissioner Wishnia, seconded by Vice Chairman Brittenum and unanimously carried that the minutes of August 19, 2010, be and are hereby approved.

There being no further business, the meeting was adjourned at 5:00 p.m.

SEE MINUTE FILE NO. 1333.

APPROVED WITHOUT INTERLINEATION

CHAIRMAN

**These Minutes Compiled by
Undersigned and are Correct.**

Secretary-Treasurer