

<b>MEMPHIS LIGHT, GAS &amp; WATER DIVISION OFFICIAL MINUTES</b>	
<b>Meeting Time:</b> October 7, 2010 at 3:00 P.M.	
<b>Meeting Location:</b> Board Room, Fifth Floor, Administration Building, Memphis, Tennessee	



The meeting was called to order by Chairman Cobbins at 3:20 p.m.

The Pledge of Allegiance was recited.

The Secretary-Treasurer called the roll. The following Board Members were present: Darrell T. Cobbins, Chairman; Dedrick Brittenum, Jr., Vice Chairman; V. Lynn Evans; and Steven Wishnia. Commissioner Masson was not present. The Chairman stated that Commissioner Masson notified him of his absence in advance of today's meeting.

City Councilwoman Janis Fullilove was present.

The following staff members were present: 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. Due to the absence of President and CEO Jerry R. Collins, Jr., Alonzo Weaver was Acting President.

Commissioner Wishnia moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held September 16, 2010,

that they be recorded as the official record, seconded by Vice Chairman Brittenum and unanimously carried.

The Secretary-Treasurer acknowledged receipt of Certified Copies of City Council Resolutions dated September 14, 2010, Items 16 through 26, approved by the MLGW Board at its meeting held August 19, 2010 (see Minute File No. 1332) and Items 27 through 37, approved by the MLGW Board at its meeting held September 2, 2010 (see Minute File No. 1333).

The Secretary-Treasurer also acknowledged receipt of Certified Copies of City Council Resolutions dated September 28, 2010, Items 15 through 25, approved by the MLGW Board at its meeting held September 16, 2010 (see Minute File No. 1333) and Items 38 and 39, approving the actuarial funding to the Pension Fund and the funding to the OPEB Trust, approved by the MLGW Board at its meeting held August 19, 2010 (see Minute File No. 1332). The Secretary-Treasurer notified the Board that Items 13 and 14 (Medco and United Healthcare) were sent back to the MLGW Board from the City Council.

#### **GENERAL STATEMENTS FROM THE PUBLIC:**

Prior to Mr. George Little addressing the Board, Chairman Cobbins stated that at today's President's Briefing, two of Mr. Little's staff members from the City of Memphis participated in a brief discussion with the Board regarding a possible joint RFP related to the healthcare contract.

1. George Little, Chief Administrative Officer, City of Memphis, 125 N. Main Street, Suite 308, addressed the Board on behalf of the Administration, regarding a possible joint RFP for healthcare administration with the City of Memphis and MLGW.

2. Janis Fullilove, Memphis City Councilwoman, 3320 Morningview Drive, addressed the Board regarding the possible joint RFP, and the recent action taken by the Board related to healthcare contracts.

3. Beverly Collins, 21 W. Biscayne Road, addressed the Board regarding past-due utility bills for those in the poor community.

4. Sandra Kinsey, 7613 Dexter Hills, President of the Retirees Association, addressed the Board regarding healthcare contracts.

5. Mary Tate-Smith, Vice President of Sales, CIGNA, 3400 Players Club Parkway, yielded her time to Ricky Wilkins.

6. King Johnson, 5100 Poplar Avenue, yielded his time to Ricky Wilkins.

7. Ricky Wilkins, 66 Monroe Avenue, addressed the Board on behalf of CIGNA. (He addressed the Board again later in the meeting).
8. John Farris, Suite 500, 999 S. Shady Grove Road, addressed the Board on behalf of United Healthcare.
9. Eileen Kennedy, 107 E. Nolley, completed a card, but left the meeting. Ricky Wilkins and Mary-Tate Smith advised Chairman Cobbins that Ms. Kennedy intended to yield her time to Ricky Wilkins. Ricky Wilkins addressed the Board again.
10. Laura Roberts, 9900 W. 109th Street, addressed the Board on behalf of United Healthcare.
11. Roby Williams, 160 Island Place, addressed the Board on behalf of CIGNA.
12. Jennifer Davis, 3400 Players Club Parkway, passed when called upon to speak.
13. Latrice Jackson, 3400 Players Club Parkway, stated she had deferred her time to Ricky Wilkins.
14. Bert Wolf, 200 Jefferson Avenue, Suite 1501, stated that certain persons were yielding their time to him. Mr. Wolf addressed the Board regarding Medco/Express Scripts after Ross Loomis yielded his time to Mr. Wolf.
15. Shawn Pelletier, 2325 Springdale Dr., Express Scripts, yielded her time to Bert Wolf.
16. Russ Jurck, 6625 W. 78th Street, yielded his time to Bert Wolf.
17. Ross Loomis, 733 W. Jewel Avenue, yielded his time to Bert Wolf.
18. Nathan Bicks, 130 N. Court, addressed the Board on behalf of Medco and yielded his remaining time to Gina Gruhn.
19. Gina Gruhn, 100 Parsons Pond Drive, addressed the Board on behalf of Medco. Nathan Bicks addressed the Board again and a handout was given to the Board. Jozelle Booker, Manager, Procurement and Contracts stated that new information to be used for evaluation of criteria at this state of the process should not be distributed. Nathan Bicks clarified that this was not new information.

Chairman Cobbins asked Mr. Wolf about documents Mr. Wolf had received which showed differences in scoring. Discussion was held with Mr. Wolf and Charles Perry.

Cheryl Patterson stated that she doesn't believe the Board has taken into consideration other documents that have been circulated by vendors but submitted following the bid deadline and, therefore, she cautioned the Board about accepting some and not others. The evaluation should be based on information the Board received by the bid date.

Commissioner Evans and Allan Wade, City Council Attorney, discussed what the City Council was requesting from the Board in order for the City Council to make an informed decision related to the prescription drug contract.

Ricky Wilkins addressed the Board again.

20. Josh Lawhead, 130 N. Court Avenue, deferred his time and did not speak.

More discussion was held between Commissioner Evans, Cheryl Patterson, Chairman Cobbins and Allan Wade regarding what the City Council was requesting.

Councilwoman Janis Fullilove stated the City Council wants documentation as to why the Board made the decision that they made. She stated that the City Council did not request that the Board reevaluate. The City Council needs clarification as to why the Board did what they did.

**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. At the request of the Memphis City Council, reevaluation and ratification (with written clarification), rescission or amendment of award of Contract No. 11406, Managed Prescription Drug Program, previously awarded to Medco, in the funded amount of \$53,869,000.00.

### **AMENDED RESOLUTION APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)**

2. At the request of the Memphis City Council, reevaluation and ratification (with written clarification), amendment, or rescission of actions previously taken at the September 2, 2010 meeting of the MLGW Board denying approval of award of Contract No. 11405 to Cigna and approving the amendment of Contract No. 11202, Medical Administrative Services, with United Healthcare for not less than six months and no more than 12 months, at up to the current rates, for the purpose of putting a blended RFP out for proposal.

### **AMENDED RESOLUTION APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)**

3. Resolution approving Change No. 7 to Contract No. 10870, Provider Organization Coverage, with Health Choice, LLC, to extend the current contract with no increase in contract value. (This change extends the service for a period not less than six months, not to exceed 12 months, and includes the implementation of new financial terms effective January 1, 2011 to December 31, 2011). (Jozelle Booker)

### **APPROVED**

### **CONSENT AGENDA**

4. Resolution approving Contract No. 11430, Interlocal Agreement between MLGW and Memphis Housing Authority, for a Services Loan for Utility Installation for Legends Park West Phase IV Planned Redevelopment in an estimated amount of \$300,000.00. (Alonzo Weaver)

### **APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)**

5. Resolution awarding Contract No. 11442, Telephone Operator's Console, to Black Box Network Services, in the funded amount of \$87,702.00. (Jozelle Booker)

**APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)**

6. Resolution approving Change No. 5 to Contract No. 11193, Janitorial Services, with Kimco Corporation, Inc., with no increase in contract value. (This reflects the doing-business-as (d/b/a) name change from Kimco Corporation to Eurest Services). (Jozelle Booker)

**APPROVED**

7. Resolution approving Change No. 1 to Contract No. 11381, Janitorial Services, with Kimco Corporation, Inc., with no increase in contract value. (This reflects the doing-business-as (d/b/a) name change from Kimco Corporation to Eurest Services). (Jozelle Booker)

**APPROVED**

8. Resolution approving Change No. 3 to Contract No. 11229, Professional Engineering Services, with Allen and Hoshall Engineers, in the funded amount of \$151,800.00. (This adds the design of a new wash water recovery basin at Palmer Pumping Station to conform to new and tighter environmental regulations). (Jozelle Booker)

**APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)**

9. Resolution ratifying Change No. 1 to Contract No. 11309, Installation of Ground Wells at Collierville Gate #86, with M & W Drilling, LLC, in the funded amount of \$30,250.00. (This is due to a field change order performed to drill an extra depth of 110 ft. (55 ft. per well) required to install ground wells as described in the specifications of the current contract). (Jozelle Booker)

**APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)**

10. Resolution approving Change No.1 to Contract No. 11370, Electronic Bill Presentment and Payment Services, with Metavante Corporation with no increase in contract value. (This reflects a corporation name change from Metavante Corporation to Fidelity Information Services (FIS). (Jozelle Booker)

**APPROVED**

11. Resolution awarding contract for data concentrators to Tel-XL in the amount of \$44,700.00. (Jozelle Booker)

**APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)**

12. Resolution awarding three-month contract for equipment rental to Wagner Smith Equipment Company in the amount of \$95,660.00. (Jozelle Booker)

**APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)**

13. Resolution awarding contract for three walk-in vans to Tag Truck Center in the amount of \$215,850.00. (Jozelle Booker)

**APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)**

14. Resolution approving a fee increase for Consulting Services Group, LLC, from \$40,000.00 to \$55,000.00 annually (Contract No. 11471) for investment management consultant services for the MLGW OPEB Trust Fund. (John McCullough)

**APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)**

15. Resolution adopting the 2011 Schedules of Charges to be effective January 1, 2011. (Christopher Bieber)

**APPROVED**

16. Resolution approving Position No. 00583, Helper and Position No. 05803, Computer Software Specialist I. (Alonzo Weaver)

**APPROVED**

17. Resolution approving release of easement to Peyton D. Hurley & wife Cheryl C. Hurley, property located on the northwest corner of Pinnacle Creek Drive and Collection Cove, for the sum of \$1.00. (Wayne Jackson)

**APPROVED**

18. Resolution approving release of easement to David Nappier, property located on the southeasterly side of Harbor Avenue, approximately 598 ft. northeastwardly from the center line of Pier Street, for the sum of \$1.00. (Wayne Jackson)

**APPROVED**

19. Resolution approving release of easement to David Nappier, property located on the southeasterly side of Harbor Avenue, approximately 498 ft. northeastwardly from the center line of Pier Street, for the sum of \$1.00. (Wayne Jackson)

**APPROVED**

**APPROVAL OF CONSENT AGENDA (ITEMS #4 THROUGH #19):****ROLL CALL:**

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

**CONSENT AGENDA APPROVED****REGULAR AGENDA ITEMS:**

Discussion of Regular Agenda Item No. 1 (Medco) began.

**MOTION RELATED TO ITEM NO. 1 (MEDCO):**

Vice Chairman Brittenum moved that the Board redraft the resolution that was approved prior, that went to the City Council (for Item No. 1 – Medco) to provide the necessary basis for the decision, seconded by Commissioner Evans.

More discussion was held on Item No. 1.

Roll Call was taken later in the meeting (see Page 113).

Discussion of Regular Agenda Item No. 2 (United Healthcare) began.

**MOTION TO RESCIND PRIOR ACTION TAKEN ON UNITED HEALTHCARE:**

Commissioner Wishnia moved to rescind the prior action taken by the Board to extend the United Healthcare contract and select CIGNA as our healthcare provider, however, he removed “*and select CIGNA as our healthcare provider*” from his Motion. The motion was seconded by Commissioner Evans.

**ROLL CALL:**

NAY: Commissioner Evans  
AYE: Commissioner Wishnia  
NAY: Vice Chairman Brittenum  
AYE: Chairman Cobbins

**MOTION FAILED**

Regular Agenda Item No. 3 (Health Choice) was briefly discussed.

**MOTION TO CONSIDER A JOINT RFP WITH THE CITY OF MEMPHIS:**

Vice Chairman Brittenum moved that the Board pass a resolution to consider a joint RFP with the City of Memphis for the purpose of securing a contract for medical administrative services, seconded by Commissioner Evans.

Much discussion was held regarding the joint RFP and the United Healthcare contract.

**ROLL CALL:**

AYE: Commissioner Evans  
NAY: Commissioner Wishnia  
AYE: Vice Chairman Brittenum  
NAY: Chairman Cobbins

**MOTION FAILED**

Discussion of Regular Agenda Item No. 2 (United Healthcare) began.

**MOTION TO HOLD ITEM NO. 2 (UNITED HEALTHCARE) TO THE NEXT BOARD MEETING:**

Vice Chairman Brittenum moved that this matter be held until the next MLGW Board meeting on Item No. 2 (United Healthcare).

More discussion was held.

**MOTION WAS WITHDRAWN**



**MOTION RELATED TO ITEM NO. 2 (UNITED HEALTHCARE):**

Commissioner Evans moved that the Board amend the resolution (United Healthcare) that was previously submitted to City Council and expand it to include the rationale that's been stated today as to why that action took place. After more discussion, the motion was seconded by Vice Chairman Brittenum.

Roll Call was taken later in the meeting (see below).

(The Board took a 10-minute break).

After the break, Cheryl Patterson distributed a draft of the two resolutions for Items 1 and 2 (Medco and United Healthcare) to the Board.

Alonzo Weaver notified the Board that the customer issue from today's meeting had been resolved to the customer's satisfaction.

The Board reviewed the two typed resolutions for Medco and United Healthcare (Items 1 and 2) and made further comments and amendments.

**ROLL CALL ON ITEM #2 (UNITED HEALTHCARE):**

AYES:           Commissioner Evans  
                  Commissioner Wishnia  
                  Vice Chairman Brittenum  
                  Chairman Cobbins

**ITEM #2 (UNITED HEALTHCARE) APPROVED**

Commissioner Evans moved that the amendment to Item No. 1 (Medco) include the details, seconded by Commissioner Wishnia.

**ROLL CALL ON ITEM #1 (MEDCO):**

AYES: Commissioner Evans  
 Commissioner Wishnia  
 Vice Chairman Brittenum  
 Chairman Cobbins

**ITEM #1 (MEDCO) APPROVED****ROLL CALL ON ITEM #3 (HEALTH CHOICE):**

MOTION: Commissioner Evans  
 SECOND: Vice Chairman Brittenum  
 AYE: Commissioner Evans  
 NAY: Commissioner Wishnia  
 AYE: Vice Chairman Brittenum  
 AYE: Chairman Cobbins

**ITEM #3 (HEALTH CHOICE) APPROVED**

Without objection, the Board agreed to amend the United Healthcare resolution to include the 5% increase in hospital provider cost as it relates to the Health Choice contract, the economics of which are handled through the United Healthcare contract.

**APPROVAL OF SAME-DAY MINUTES OF ITEMS #1 and #2 (Medco and United Healthcare):**

It was moved by Commissioner Wishnia, seconded by Commissioner Evans and unanimously carried that the minutes of items #1 and #2 (Medco and United Healthcare) of today's agenda be and are hereby approved.

There being no further business, the meeting was adjourned at 6:20 p.m.

SEE MINUTE FILE NO. 1334.

**APPROVED WITHOUT INTERLINEATION**

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**CHAIRMAN**

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

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**Secretary-Treasurer**