

MEMPHIS LIGHT, GAS & WATER DIVISION OFFICIAL MINUTES – SPECIAL CALLED	
Meeting Time: October 17, 2011 at 3:00 P.M.	
Meeting Location: Board Room, Fifth Floor, Administration Building, Memphis, Tennessee	



The special called meeting was called to order by Chairman Cobbins at 2:02 p.m.

The Pledge of Allegiance was recited.

The Acting Secretary-Treasurer called the roll. The following Board Members were present: Darrell T. Cobbins, Chairman; Dedrick Brittenum, Jr., Vice Chairman; V. Lynn Evans; Rick Masson; and Steven Wishnia. (Note: Commissioner Masson entered the meeting at 2:04 p.m. and Vice Chairman Brittenum entered the meeting at 2:06 p.m. after the roll call).

The following staff members were present: Jerry R. Collins, Jr., President & CEO; Dana Jeanes, Acting Vice President, CFO and Secretary-Treasurer; Cheryl Patterson, Vice President and General Counsel; Christopher Bieber, Vice President, Customer Care; Von W. Goodloe, Vice President, Human Resources; and Lashell M. Vaughn, Vice President and Chief Technology Officer. Nick Newman, Vice President, Construction and Maintenance, and Alonzo Weaver, Vice President, Engineering and Operations, were not present.

GENERAL STATEMENTS FROM THE PUBLIC: (None)

The purpose of today's special called meeting is to further review and discuss the 2012 Budget.

President Collins began the meeting by stating that there are changes to the 2012 Capital Budget in the Electric, Gas and Water Divisions and that Dana Jeanes would advise the Board of those changes.

Dana Jeanes stated that the changes to the Preliminary Capital Budget that were originally presented to the Board on October 6, 2011, are basically carry overs from 2011: \$170,000.00 in the Electric Division; \$1,000,000.00 in the Gas Division, which was inadvertently left out for the Gas Management System (a computer system used by our gas purchasing group) to replace a system that is 15 years old; and \$84,000.00 for Water Lab Equipment.

President Collins discussed the Components of the Water Rate Increase. He outlined anticipated Losses of Revenues and increased expenses that created the need for an increase in Water rates. A copy of the detailed report presented to the Board is attached herewith.

Commissioner Wishnia questioned the President on the consequences if there is not a rate increase. President Collins advised that if there is a loss for two years in a row, the State Waste Water Board has the option of setting rates so that there will not be negative income. (Complete discussion is on tape in Minute File No. 1346).

Discussion of the Organizational Chart was held. The primary difference in the existing chart and the proposed chart for 2012 is that three of the positions being recommended will be changed to Manager positions. More detailed discussion was held and staff answered questions related thereto.

Vice Chairman Brittenum began discussion of the MLGW Secretary position. He stated that he recently attended a session on records management at the annual APPA Business and Finance Conference. He discussed the challenge of keeping records, and requested cooperation from MLGW staff to consider the Secretary position

separately and report back to the Board by October 20, 2011. An initial report will be provided to the Board.

Additional discussion was held including but not limited to safety, new buildings, Smart Grid project and new programs and initiatives.

There being no further business, the meeting was adjourned at 3:32 p.m.

SEE MINUTE FILE NO. 1346.

APPROVED WITHOUT INTERLINEATION

Chairman

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

Acting Secretary-Treasurer