

MEMPHIS LIGHT, GAS & WATER DIVISION OFFICIAL MINUTES	
Meeting Time: November 4, 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.

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.

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.

Commissioner Wishnia moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held October 21, 2010, that they be recorded as the official record, seconded by Commissioner Evans and unanimously carried.

The Secretary-Treasurer acknowledged receipt of Certified Copy of City Council Resolution dated October 12, 2010, Item No. 25A, regarding the joint RFP between MLGW and

the City of Memphis (see Minute File No. 1334); receipt of Certified Copies of City Council Resolutions dated October 26, 2010, Items 9 through 18, approved by the MLGW Board at its meeting held October 7, 2010 (see Minute File No. 1334); and receipt of Certified Copy of City Council Ordinance No. 5383, Item No. 10, dated October 29, 2010, increasing the amount of contracts requiring approval of the City Council to \$50,000 (see Minute File No. 1334).

There were no General Statements from the Public.

Chairman Cobbins advised that MLGW's "Baby Steps" public service announcement (PSA) campaign captured five different awards. Gale Jones Carson advised that in addition, MLGW's blog, "Bird on a Wire" won an award.

COMMITTEE REPORT:

1. Human Resources Committee Update:

Commissioner Masson advised that the Committee reviewed two policies:

(1) Bonus Days and (2) Leave of Absence. FMLA will be incorporated into these two policies.

For full disclosure purposes, President Collins advised that at today's Pension Board meeting, the Pension Board voted to change the actuary method from the Aggregate Method to the Entry Age Normal Method.

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.

CONSENT AGENDA

1. Resolution awarding Contract No. 11421, MLGW Retirement and Pension Actuary, to The Segal Company, in the funded amount of \$308,000.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

2. Resolution awarding Contract No. 11422, Other Post-Employment Benefits Actuary, to The Segal Company, in the funded amount of \$308,000.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

3. Resolution approving Change No. 4 to Contract No. 11112, Generator Preventative Maintenance Agreement, with Cummins Mid-South, LLC, in the funded amount of \$51,543.57. (This change renews the contract for the fourth and final renewal term, January 21, 2011 to January 20, 2012, with a decrease in rates).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

4. Resolution approving Change No. 2 to Contract No. 11185, Environmental Consulting Services, with Center for Toxicology and Environmental Health, in the funded amount of \$75,000.00. (This change renews the contract for the second of four renewal terms, January 1, 2011 to December 31, 2011).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

5. Resolution approving Change No. 1 to Contract No. 11324, In-Service Wood Pole Inspection, with Osmose Utilities Services, Inc., in the funded amount of \$600,000.00. (This change renews the contract for the first of four renewal terms, January 1, 2011 to December 31, 2011, with an increase in rates. This change also includes additional service units).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

6. Resolution awarding contract for one paper cutter to American Reprographics, Inc., in the amount of \$30,695.00.

ITEM NO. 6 WAS DELETED

7. Resolution awarding contract for forklift trucks, as follows:

Nissan Liftrucks of Memphis.....	\$28,952.39
Lift Pro of Memphis.....	27,880.12
Shaw Material Handling Systems.....	<u>103,484.00</u>
Total:	<u>\$160,316.51</u>

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

8. Resolution awarding 48-month contract for rental of two digital black-and-white copier/printer systems to Konica Minolta Business Solutions, in the amount of \$690,240.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

9. Resolution awarding contract for ball cluster sets to Utilicor, in the amount of \$129,000.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

10. Resolution awarding contract for power circuit breakers to Mitsubishi Electric Power Products c/o H V Sales, in the amount of \$349,895.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

11. Resolution approving the September 30, 2010 Quarterly Report of the Customer Appeal Committee.

APPROVED

12. Resolution authorizing payments of in-lieu-of taxes (PILOT) to the City of Memphis and other cities in Shelby County for the Electric Division and the Gas Division.

APPROVED

13. Resolution authorizing payments of in-lieu-of taxes (PILOT) to the City of Memphis for the Water Division.

APPROVED

REGULAR AGENDA

14. Resolution approving the 2011 Electric, Gas and Water Operations and Capital Budget, including an increase in water rates of 5.0%, to be effective with meters read on Cycle One of the January 2011 revenue month on a non-prorated basis.

APPROVED, AS AMENDED (SUBJECT TO CITY COUNCIL APPROVAL)

15. Resolution requesting that the City Council schedule a public hearing to be held on December 7, 2010, for consideration and determination of revisions in tariffs to reflect increases in water rates (5.0%), effective with meters read on Cycle One of the January 2011 revenue month on a non-prorated basis.

APPROVED, AS AMENDED (SUBJECT TO CITY COUNCIL APPROVAL)

CONSENT AGENDA (Cont'd)

16. Resolution approving sale of 2.252 acres of Division-owned property to Shelby County, a political subdivision of the State of Tennessee, property located on the southeast corner of the Illinois-Central Railroad and Fite Road, including the granting of easements, for the sum of \$27,381.11.

ITEM NO. 16 WAS DELETED

17. Resolution approving sale of 5.197 acres of Division-owned property to Shelby County, a political subdivision of the State of Tennessee, property located on the northeast corner of the Illinois-Central Railroad and Fite Road, for the sum of \$30,134.50.

ITEM NO. 17 WAS DELETED

18. Resolution approving release of easement to The S. Richard Bauman Revocable Trust, property located on the northeasterly side of Lamar Avenue, approximately 225.72 feet east of the east line of Bellevue Boulevard, for the sum of \$1.00. (Wayne Jackson)

APPROVED

19. Resolution approving release of easement to The S. Richard Bauman Revocable Trust, property located on the northeasterly side of Lamar Avenue, approximately 141.47 feet east of the east line of Bellevue Boulevard, for the sum of \$1.00. (Wayne Jackson)

APPROVED

20. Resolution approving release of easement to The S. Richard Bauman Revocable Trust, property located on the northeasterly side of Lamar Avenue, approximately 303.5 feet east of the east line of Bellevue Boulevard, for the sum of \$1.00. (Wayne Jackson)

APPROVED**AMENDMENT OF CONSENT AGENDA:**

It was moved by Commissioner Evans, seconded by Commissioner Masson and unanimously carried that Items 14 and 15 be moved from the Consent Agenda to the Regular Agenda, and Items 6, 16 and 17 be deleted from the Consent Agenda.

CONSENT AGENDA AMENDED

APPROVAL OF CONSENT AGENDA, AS AMENDED: (Items 1-5; 7-13; and 18-20)

MOTION: Commissioner Masson
SECOND: Commissioner Wishnia

ROLL CALL:

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

CONSENT AGENDA APPROVED, AS AMENDED**AMENDMENT TO REGULAR AGENDA ITEM NO. 14:**

Commissioner Masson moved to accept the action of the Pension Board, to change the actuary method from the Aggregate Method to the Entry Age Normal Method, resulting in the water rate percentage increase being revised from 7% to 5%, and the water rate increase amount being revised from \$5,355,000 to \$3,839,000, seconded by Commissioner Wishnia.

ROLL CALL:

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

AMENDMENT TO REGULAR AGENDA ITEM NO. 14 APPROVED**APPROVAL OF REGULAR AGENDA ITEM NO. 14, AS AMENDED:**

MOTION: Commissioner Wishnia
SECOND: Commissioner Masson

Commissioner Evans expressed her concerns regarding salary increases for Management employees being included in the 2011 Budget.

Vice Chairman Brittenum moved that the raises for non-MOU employees be limited to 2%, but the motion failed for the lack of a second.

ROLL CALL:

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

ITEM NO. 14 APPROVED, AS AMENDED

AMENDMENT TO REGULAR AGENDA ITEM NO. 15:

Commissioner Wishnia moved that Item 15 be amended to revise the water increase percentage from 7% to 5%, and the water rate increase amount from \$5,355,000 to \$3,839,000, seconded by Commissioner Evans.

ROLL CALL:

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

AMENDMENT TO REGULAR AGENDA ITEM NO. 15 APPROVED

APPROVAL OF REGULAR AGENDA ITEM NO. 15, AS AMENDED:

MOTION: Commissioner Wishnia
SECOND: Commissioner Evans

ROLL CALL:

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

ITEM NO. 15 APPROVED, AS AMENDED

There being no further business, the meeting was adjourned at 3:15 p.m.

SEE MINUTE FILE NO. 1335.

APPROVED WITHOUT INTERLINEATION

CHAIRMAN

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

Secretary-Treasurer