

MEMPHIS LIGHT, GAS & WATER DIVISION OFFICIAL MINUTES	
Meeting Time: December 15, 2011 at 3:00 P.M.	
Meeting Location: Board Room, Fifth Floor, Administration Building, Memphis, Tennessee	



The meeting was called to order by Chairman Cobbins.

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; Rick Masson and Steven Wishnia

The following staff members were present: Jerry R. Collins, Jr., President & 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; Von W. Goodloe, Vice President, Human Resources, and Lashell M. Vaughn, Vice President and Chief Technology Officer

Commissioner Evans moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held December 1, 2011, 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 December 6, 2011, Items 19 through 27; Items 30 through 48,

approving items approved by the Board on November 3 or November 17, 2011 (see Minute File No. 1347); Item 49, approving payment of legal settlements (see Minute File No. 1348); and Item 68, approving PEAK contract approved by the Board on October 20, 2011 (see Minute File No. 1346).

GENERAL STATEMENTS FROM THE PUBLIC:

None

NEW BUSINESS:

As indicated in the Board of Light, Gas and Water Commissioners' Rules of Procedures, the Vice Chairman shall automatically ascend to the Chairmanship for the next succeeding two-year term; therefore, Vice Chairman Brittenum will become the new Chairman of the Board of Light, Gas and Water Commissioners, effective January 1, 2012.

1. Election of Vice Chairman of Board of Light, Gas and Water Commissioners

It was moved by Commissioner Masson and seconded by Commissioner Evans that Commissioner Steve Wishnia be nominated as Vice Chairman of the Board of Light, Gas and Water Commissioners, effective January 1, 2012.

ROLL CALL:

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

Chairman Cobbins stated that effective January 1, 2012, the Board will have a new Chairman and a new Vice Chairman..

2. Election of Chairman of the Pension Board

It was moved by Commissioner Evans and seconded by Commissioner Masson that Vice Chairman Brittenum be elected as Chairman of the Pension Board, effective January 1, 2012.

ROLL CALL:

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

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 approving the amended 2012 Budgets of the Electric Gas and Water Division, which include proposed changes to the 2012 budgets originally approved by the Board on October 20, 2011, for 2012 operation and maintenance expenses and 2012 capital expenditures.

APPROVED, AS AMENDED (SUBJECT TO CITY COUNCIL APPROVAL)

CONSENT AGENDA

CONSTRUCTION & MAINTENANCE DIVISION

2. Resolution awarding Contract No. 11502, Grounds Maintenance Well Lots, to Bean and Prince Contractors, Inc. in the funded amount of \$67,599.14.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

3. Resolution amending the resolution approved by the Board on November 3, 2011, related to Contract No. 10783, Emergency Aid Agreement, with Dillard Smith Construction, to reflect that the Change therein approved was Change No. 12 instead of Change No. 11 and that the total contract amount of this contract is \$3,920,215.68 and not \$3,549,527.82.

APPROVED

4. Resolution approving Change No. 1 to Contract No. 11486, Grounds Maintenance and Landscaping Services, with The Roberts Company, Ltd. of Tennessee d/b/a Environmental Landscape Services, in the funded amount of \$67,566.50. (This change renews the contract for the first of four renewal terms, May 4, 2012 to May 3, 2013, with no increase in rates from the previous year).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

5. Resolution awarding contract for fuse equipment to HD Supply Utilities in the amount of \$1,311,213.20.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

6. Resolution amending the expiration date of Purchase Order No. 133931 with Lehman Roberts for asphalt to January 13, 2012.

APPROVED

CUSTOMER CARE DIVISION

7. Resolution awarding 36-month blanket contracts for water meters to Badger Meter, Inc. in an amount not to exceed \$1,110,525.92 and Elster AMCO Water, Inc., in an amount not to exceed \$390,321.48; the total of both awards is approximately \$1,500,847.40.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

REGULAR AGENDA:

**ENGINEERING &
OPERATIONS DIVISION**

8. Resolution awarding Contract No. 11521, Mitsubishi Electric Transmission Line Foundation, to Reliable Constructors, Inc., in the funded amount of \$273,800.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

CONSENT AGENDA (Continued)

9. Resolution approving Change No. 9 to Contract No. 10332, ABB Software Maintenance, with ABB Power Training & Development Company, Inc., in the funded amount of \$134,552.00. (This change renews software maintenance, licenses and support renewal fees covering the period January 1, 2012 to December 31, 2012, which includes a 5% increase in price from the previous year due to ABB's 2012 pricing model. This also includes continuous maintenance of the acquired system which can only be performed by ABB Power Training & Development Company, Inc.).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

10. Resolution approving Change No. 7 to Contract No. 10580, Service Agreement, with Motorola, Inc., in the funded amount of \$47,759.16, for a new contract value of \$576,266.31. (This change renews the contract for an additional one-year term, March 1, 2012 to February 28, 2013, with no increase in rates from the previous year. This change also includes continuous maintenance of the acquired system which can only be performed by Motorola, Inc.).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

11. Resolution approving Change No. 2 to Contract No. 11235, Long Distance Telephone Service, with AT&T, Inc. in a funded amount not to exceed \$15,000.00, for a new contract value of \$60,000.00. (This change renews the contract for the second and final renewal term, April 1, 2012 to March 31, 2013, with no increase in rates from the previous year).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

12. Resolution approving Change No. 4 to Contract No. 11320, Local Dial Tone Services, with Paetec, in the funded amount of \$132,600.00. (This change renews the contract for the second of three renewal terms, April 1, 2012 to March 31, 2013, with no increase in rates from the previous year).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

13. Resolution approving Change No. 2 to Contract No. 11324, In-Service Wood Pole Inspection, with Osmoste Utilities Services, Inc., in an amount not to exceed \$600,000.00, with unit rate adjustments. (This change renews the contract for the second of four renewal terms, January 1, 2012 to December 31, 2012, and includes an overall unit rate adjustment of 0.75%).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

14. Resolution approving release of easement to Lisa T. Fox, property located at 5453 Irvin Park Cove.

APPROVED

FINANCE DIVISION

15. Resolution amending the MLGW Procurement Policy to incorporate a Local Bidding Presence provision and to delete the internal procedures followed by staff to administer the Procurement Complaint and Appeals Process.

APPROVED

GENERAL COUNSEL DIVISION

(None)

HUMAN RESOURCES DIVISION

16. Resolution awarding Contract No. 11514, Consultant Risk Management Audit, to Marsh, in the funded amount of \$320,000.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

17. Resolution approving Change No. 7 to Contract No. 10985, Master Lease Agreement, with SkillSoft Corporation, in the funded amount of \$13,456.20, for a new contract value of \$200,177.67. (This change renews the current contract for an additional term covering the period January 31, 2012 to January 30, 2013 and adds Information Technology courses to the contract. This also deducts the amount of \$783.42 from Change No. 6 which was not executed nor was the work performed).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

**INFORMATION TECHNOLOGY
DIVISION**

(None)

PRESIDENT'S DIVISION

18. Resolution approving Change No. 7 to Contract No. 11121, Customer Satisfaction Survey, with Renee Enterprises in the funded amount of \$8,368.50, for a new contract value of \$183,783.00. (This change extends the current contract for a 90-day period, January 1, 2012 to March 31, 2012, with no increase in rates, to allow the development of a new contract as a result of the bid rejection of the previous RFP).

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

19. Resolution approving Change No. 1 to Contract No. 11352, External Auditing Services, with Thompson Dunavant, with no increase in contract value. (This reflects a corporation name change from Thompson Dunavant to Mayer Hoffman McCann PC).

APPROVED

REGULAR AGENDA

20. Resolution amending Resolution No. 2 previously adopted by the Board at its meeting on October 20, 2011, approving changes to Article 42 of the Memorandum of Understanding between MLGW and IBEW covering wages for term years 2012 and 2013, to eliminate the 1.0% general increase for bargaining unit employees for fiscal year 2012; rescinding the 1.0% cost-of-living increase for all other non-covered employees for fiscal year 2012; approving the alternative wage agreement with IBEW; and authorizing the President to execute the alternative wage agreement as a modification to the Memorandum of Understanding and all other documents necessary to carry out the intents and purpose of this Resolution.

APPROVED

AMENDMENT TO CONSENT AGENDA AND REGULAR AGENDA:

It was moved by Commissioner Evans, seconded by Vice Chairman Brittenum and unanimously carried that Item 20 be added to the Regular Agenda and Item 8 be moved from the Consent Agenda to the Regular Agenda.

**APPROVAL OF CONSENT AGENDA, AS AMENDED
(Items 2 through 7 and Items 9 through 19):**

MOTION: Commissioner Masson

SECOND: Commissioner Evans

ROLL CALL:

AYE: Commissioner Masson

AYE: Commissioner Evans

AYE: Commissioner Wishnia

AYE: Vice Chairman Brittenum

AYE: Chairman Cobbins

CONSENT AGENDA APPROVED, AS AMENDED**APPROVAL OF REGULAR AGENDA ITEM 8**

MOTION: Commissioner Wishnia

SECOND: Commissioner Evans

ROLL CALL:

AYE: Commissioner Masson

AYE: Commissioner Evans

AYE: Commissioner Wishnia

AYE: Vice Chairman Brittenum

AYE: Chairman Cobbins

REGULAR AGENDA ITEM 8 APPROVED**APPROVAL OF REGULAR AGENDA ITEM 20**

MOTION: Commissioner Evans

SECOND: Commissioner Wishnia

ROLL CALL:

AYE: Commissioner Masson

AYE: Commissioner Evans

AYE: Commissioner Wishnia

AYE: Vice Chairman Brittenum
AYE: Chairman Cobbins

REGULAR AGENDA ITEM 20 APPROVED

PRESENTATIONS:

On behalf of the MLGW staff, President Collins presented Chairman Cobbins with a gavel as a token of his appreciation for serving as Chairman, stating it has been his personal pleasure to serve as President during his Chairmanship.

Vice Chairman Brittenum presented Chairman Cobbins with a gift as a token of appreciation from the Board, stating it has been a pleasure to serve as Vice Chairman.

Commissioner Masson commended Chairman Cobbins for adding the Pledge of Allegiance to the Board proceedings.

Chairman Cobbins stated it has been a privilege to serve these past two years as Chairman and he learned a tremendous amount about the utility and leadership and he continues to be encouraged by the dedication and loyalty of all the employees, retirees and everyone who cares about MLGW.

After a short recess, the Board reconvened the meeting. A revised Resolution No. 1 for the Budget was distributed and further discussion was held. Additional changes were made to the exhibits attached to and made a part of the resolution. (Complete discussion is on tape in Minute File No. 1348).

APPROVAL OF REGULAR AGENDA ITEM NO. 1, AS AMENDED

MOTION: Commissioner Masson
SECOND: Commissioner Evans

Commissioner Wishnia stated for the record that if MLGW has two consecutive years of negative net income in the water division, the ratepayers could possibly pay more if the State of Tennessee mandates a rate increase.

ROLL CALL

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

REGULAR AGENDA ITEM NO. 1 APPROVED, AS AMENDED

APPROVAL OF SAME DAY MINUTES FOR ITEMS 1 AND 20:

It was moved by Commissioner Masson, seconded by Commissioner Wishnia and unanimously carried that the minutes of Item 1 and Item 20 of today's meeting be and are hereby approved.

There being not further business the meeting was adjourned.

SEE MINUTE FILE NO. 1348.

APPROVED WITHOUT INTERLINEATION

Chairman

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

Secretary-Treasurer