

**MEMPHIS LIGHT, GAS & WATER DIVISION
OFFICIAL MINUTES**

Meeting Time: December 18, 2008 at 1:30 P.M.

Meeting Location: Board Room, Fifth Floor,
Administration Building, Memphis, Tennessee



The meeting was called to order by Chairman Evans.

The Secretary-Treasurer called the roll. The following Board Members were present: V. Lynn Evans, Chairman; Darrell T. Cobbins, Vice Chairman; Dedrick Brittenum, Jr.; and Steven Wishnia. Rick Masson was not present.

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; Carolyn Turman, Interim Vice President, Human Resources; and Linda Peppers, Vice President and Chief Technology Officer. Alonzo Weaver, Vice President, Engineering and Operations, was not present.

City Council Member Barbara Swearngen Ware was in attendance.

Commissioner Wishnia moved that after personally reading and reviewing the typed minutes of the Memphis Light, Gas and Water Board meeting held December 4, 2008, that they be recorded as the official record, seconded by Vice Chairman Cobbins and unanimously carried.

The Secretary-Treasurer acknowledged receipt of Certified Copies of City Council Resolutions dated December 2, 2008, Items 11 through 41, approving items approved by the MLGW Board at its meeting held November 20, 2008 (see Minute File No. 1311); Item 42,

authorization for MLGW's General Counsel to pay claims settlements in the amount of \$180,416.70 which was dropped (see Minute File No. 1312); and Item 50, settlement of claims made by Joseph Lee, III in the amount of \$426,422.33 which failed (see Minute File No. 1308).

GENERAL STATEMENTS FROM THE PUBLIC:

1. Bill Hawkins, Assistant Business Manager, IBEW Local 1288, 4000 Clearpool Circle, Memphis, TN

PRESIDENT'S BOARD BRIEFING:

1. Review of Consent Agenda – Jerry R. Collins, Jr.

COMMITTEE REPORTS: (See Minute File No. 1312 for handouts)

1. HR Committee – Commissioner Brittenum

a. Contract Notification Process – Carolyn Turman

2. Supplier Diversity Committee – Vice Chairman Cobbins

a. Establishment of External Supplier Diversity Council – Vice Chairman Cobbins

NEW BUSINESS:

1. Board of Commissioners' Rules of Procedure – Chairman Evans

Beginning in 2009, the President's Briefing will begin at 1:30 p.m. and the official Board meeting will begin at 3:00 p.m. The 2009 January Board meetings will be held January 8 and January 22.

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.

1. Resolution awarding Contract No. 11290, Right-of-Way Mowing, to Rotolo Consultants, Inc. in the funded amount of \$236,016.00.

ITEM NO. 1 WAS DELETED FROM TODAY'S AGENDA

2. Resolution approving Change No. 2 to Contract No. 11112, Generator Preventative Maintenance Agreement, with Cummins Mid-South, LLC, in the funded amount of \$57,051.40. (This renews the contract for the second of four renewal terms, January 21, 2009 to January 20, 2010.)

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

3. Resolution approving Change No. 1 to Contract No. 11134, Integrator Service for Arlington and Capleville LNG Plants, with Logical Systems, Inc., in the funded amount of \$15,000.00. (This renews the contract for the first of four renewal terms, January 21, 2009 to January 20, 2010.)

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

4. Resolution approving Change No. 1 to Contract No. 11161, Water Leak Survey, with Heath Consultants, Inc. in the funded amount of \$45,000.00. (This renews the contract for the first of four renewal terms, January 21, 2009 to January 20, 2010.)

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

5. Resolution approving Change No. 1 to Contract No. 11209, Mobile Document Shredding Service, with Vital Records Control in the funded amount of \$16,057.68. (This renews the contract for the first of four renewal terms, January 4, 2009 to January 3, 2010.)

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

6. Resolution approving Change No. 2 to Contract No. 11217, Temporary Services, with Manpower, Inc., with no increase in contract amount. (This renews the contract for the second of four renewal terms, January 1, 2009 to December 31, 2009.)

APPROVED

7. Resolution approving Change No. 2 to Contract No. 11220, Temporary Services, with Kelly Services, Inc. in the funded amount of \$236,844.27. (This renews the contract for the second of four renewal terms, January 1, 2009 to December 31, 2009.)

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

8. Resolution awarding contract for software support, maintenance and upgrades for MLGW's current document imaging system to Optical Laser in the amount of \$32,786.50.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

9. Resolution awarding contract for 2,000 barricade stands to Care Safety, LLC in the amount of \$47,000.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

10. Resolution awarding contract for 1,000 barricade boards to Personal Safety First, LLC in the amount of \$31,910.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

11. Resolution awarding contract for one wheel-type industrial tractor to Thompson Machinery, LLC in the amount of \$50,993.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

12. Resolution awarding contract for one VMWare expansion system to Logicalis Integration Solutions, Inc. in the amount of \$177,657.15.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

13. Resolution awarding contract for one backhoe loader to Stribling Equipment, LLC in the amount of \$73,765.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

14. Resolution approving payment of 2009 annual membership dues to the American Gas Association (AGA) in the amount of \$51,680.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

15. Resolution approving renewal of Cooperative Agreement No. 5447, Investigation of Water Resources, with the U.S. Department of the Interior Geological Survey, for the period November 1, 2008 through October 31, 2009, in the amount of \$316,000.00.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

16. Resolution approving Amendatory Agreement between MLGW and TVA for MLGW to cooperate in a planned one-year pilot project in connection with the EnergySmart Memphis Program, to purchase 264 residential window air conditioner units at a cost not to exceed \$160,000.00 which will be reimbursed by TVA.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

17. Resolution amending Section 107.11 of the MLGW Customer Care Policy to read: *107.11 Discount Allowance (formerly known as the K-discount) – Residential Customers*, effective January 1, 2009.

APPROVED

18. Resolution approving a policy to manage the price volatility of commodities consumed in the normal course of operating the Memphis Light, Gas and Water Division (MLGW) systems.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

19. Resolution approving amendments to *Article I, Definitions, Section 1.32, Eligible Rollover Distribution; Section 1.37, Handicapped Child; and Section 1.39, Definition of Limitation Year* of the Memphis Light, Gas and Water Division Retirement and Pension System as Amended and Restated Effective January 1, 2001.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

20. Resolution approving amendments to *Article VI, Retirement and Termination Benefits, Section 6.3, Ordinary Disability Retirement Benefit, (a) General; Section 6.6, Adjustments, (a) General and (b) Amount of Adjustment; and Section 6.8, Special Provisions Concerning Disability, (c) Rehabilitation* of the Memphis Light, Gas and Water Division Retirement and Pension System as Amended and Restated Effective January 1, 2001.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

21. Resolution approving amendments to *Article VII, Payment of Benefits, Section 7.2, Lump-Sum Payment of Benefit; Section 7.3, Direct Rollover Distributions; and Section 7.5, Claims, (a) Procedure and (b) Review Procedure* of the Memphis Light, Gas and Water Retirement and Pension System as Amended and Restated Effective January 1, 2001.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

22. Resolution approving amendment to *Article VIII, Death Benefits, Section 8.2, In-Service Death, (a) Unvested Participant* of the Memphis Light, Gas and Water Division Retirement and Pension System as Amended and Restated Effective January 1, 2001.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

23. Resolution approving amendments to *Article X, Administration, Section 10.1, Pension Board: Appointment and Term of Office, (b) Term; and Section 10.3, Powers and Responsibilities of the Pension Board* of the Memphis Light, Gas and Water Division Retirement and Pension System as Amended and Restated Effective January 1, 2001.

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

24. Resolution amending the 2008 Credit Policy Manual and the 2009 Customer Care Policy Manual regarding application of funds provided to MLGW from the City of Memphis Utility Assistance Program adopted by the City on November 18, 2008.

APPROVED

25. Resolution approving revised MLGW Human Resources Policy No. 23-16 – Changes on Accounts of Employees and/or Their Relatives.

APPROVED

26. Resolution approving Position No. 00351, Machine Operator Directional Drilling; Position No. 00673, Supervisor, Credit; Position No. 01202, Director, Internal Audit; Position No. 01335, Section Supervisor; Position No. 01504, Machine Operator Directional Drilling; Position No. 01797, Section Supervisor; Position No. 03182, Section Supervisor; Position No. 03672, Helper, Electric Distribution (Pre-Apprentice); Position No. 04305; Section Supervisor; Position No. 04460, Helper, Electric Distribution (Pre-Apprentice); and Position No. 04900, Section Supervisor

APPROVED

27. Resolution approving the employment of Butler, Snow, O'Mara, Stevens and Cannada, PLLC, to provide legal services on an as-needed basis at the following agreed-upon hourly rate:

Attorney - \$210.00

APPROVED (SUBJECT TO CITY COUNCIL APPROVAL)

28. Resolution approving W. R. No. C1I82888 in the amount of \$8,900,000.00 for the design and construction of Lakeland Substation No. 85 – Install 161/23 kV Facilities. (This project is presently budgeted for \$7,000,000.00 and additional funds in the amount of \$1,900,000.00 are needed. \$347,000.00 will be taken from W. R. No. C1J35724 (Line Item 7-1); \$850,000.00 from Line Item 7-7; and \$703,000.00 from Line Item 7-11 of the 2008 Electric Capital Budget.)

APPROVED

29. Resolution approving W. R. No. C1K28672 in the amount of \$350,000.00 for the design and construction of capacitor banks at Lakeland Substation No. 85. (This project is not budgeted for 2009 and funds in the amount of \$350,000.00 are needed. \$200,000.00 will be taken from Line Item 7-11 and \$150,000.00 from Line Item 7-14 of the 2009 Electric Capital Budget.)

APPROVED

ROLL CALL AGENDA ITEMS

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

AGENDA APPROVED, AS AMENDED

OTHER BUSINESS:

President Collins introduced Ms. Charmaine Claxton as the new Vice President of Human Resources.

It was noted that the meetings in January 2009 will be held the second and fourth Thursday instead of the first and third Thursday. Also, an attorney-client meeting was held immediately after the Board meeting.

ROLL CALL ON APPROVAL OF MINUTES OF ITEM NO. 17 OF TODAY'S AGENDA

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

MINUTES OF ITEM NO. 17 OF TODAY'S AGENDA APPROVED

Chairman Evans wished everyone happy holidays.

There being no further business, the meeting was adjourned at 3:22 p.m.

SEE MINUTE FILE NO. 1312.

Secretary-Treasurer