



Board of Light, Gas and Water Commissioners

220 S. Main Street
Memphis, TN 38103
www.mlgw.com

Board Meeting

~ Minutes ~

Wednesday, March 20, 2019

1:00 PM

Board Room

CALL TO ORDER AND OPENING REMARKS:

Chairwoman McCullough

The meeting was called to order at 1:00 p.m.

PLEDGE OF ALLEGIANCE:

Chairwoman McCullough

The Pledge of Allegiance was recited.

SAFETY BRIEFING:

J. T. Young

President Young addressed the audience giving instructions in the event of an emergency during the meeting. He explained that an alarm would sound with instructions given over the loud speaker. He pointed out exits and explained the responsibilities of the Security Officers. He asked for everyone's cooperation should an emergency arise.

ROLL CALL:

Dana Jeanes

Attendee Name	Title	Status	Arrived
Michael Pohlman	Board Member	Present	
Steven Wishnia	Board Member	Present	
Carlee McCullough	Chairwoman	Present	
Mitch Graves	Vice Chairman	Absent	
Leon Dickson	Board Member	Present	

The following staff members were present: J. T. Young, President and CEO; Dana Jeanes, SVP, CFO and CAO (Secretary-Treasurer); Cheryl Patterson, VP and General Counsel; Alonzo Weaver, SVP & COO; Nick Newman, VP, Engineering & Operations; Cliff DeBerry, VP Design, Construction & Delivery; Lashell Vaughn, VP & CIO; Von Goodloe, VP, Shared Services; Gale Carson, VP Community and External Affairs; Jim West, VP, Chief Customer Officer, Roland McElrath, Controller; and Lesa Walton, Chief Internal Auditing Officer. Christopher Bieber, VP, Innovation & Business Analytics did not attend the meeting.

Advisory Board Members: Dwain Kicklighter - Present
Kevin Young - Present

APPROVALS:

Motion To: Approve Minutes of the Meeting of March 6, 2019.

RESULT: ADOPTED [UNANIMOUS]
MOVER: Leon Dickson, Board Member
SECONDER: Steven Wishnia, Board Member
AYES: Michael Pohlman, Steven Wishnia, Carlee McCullough, Leon Dickson
ABSENT: Mitch Graves

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:Dana Jeanes

Receipt of Certified Copies of City Council Resolutions, Items 17 and 18 dated February 19, 2019 and Items 6 through 14 dated March 5, 2019. (See Minute File No. 1434.)

PRESENTATIONS:

(None)

GENERAL STATEMENTS FROM THE PUBLIC:

1) Chava Nike' Bey, 1419 Singing Trees Drive, Memphis, TN addressed the Board stating she is a Moorish American Nationalist in Memphis, TN and an aboriginal. She noted she is here on behalf of the Moorish Americans that came here and claims the MLGW property belongs to her group. She stated there would be no charge to MLGW as long as MLGW is providing coverage. She informed the Board that her utilities are disconnected, but she has no intention to bring forcefulness or harm to anyone. She indicated she dropped off a package earlier today and asked President Young to share the information with the Board of Commissioners.

PRESIDENT'S BRIEFING:

1. Review of Consent Agenda - J. T. Young

(President's Briefing Continued on Page 36)

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 and these minutes and the original documents.

CONSENT AGENDA

(Items 1 through 12)

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Steven Wishnia, Board Member
SECONDER:	Leon Dickson, Board Member
AYES:	Michael Pohlman, Steven Wishnia, Carlee McCullough, Leon Dickson
ABSENT:	Mitch Graves

CHIEF CUSTOMER OFFICER

(None)

CHIEF INFORMATION OFFICER

1. Resolution approving Change No. 2 to Contract No. 11594, PowerPlan Maintenance Agreement with PowerPlan, Incorporated, in the funded amount of \$784,350.00. (This change is to ratify and renew maintenance licenses for a three year period covering December 19, 2018 through December 18, 2021 in the funded amount of \$732,100.00. In addition, this change is to ratify and renew the advance maintenance support software for a three year period covering September 30, 2018 through September 29, 2021 in the funded amount of \$102,250.00. MLGW is requesting \$784,350.00 with an available balance of \$50,000; which will be absorbed in the current contract value to pay annual maintenance and support in the amount of \$834,350.00. MLGW is also requesting continuous maintenance of the acquired system, which can only be performed by PowerPlan, Incorporated.) (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

CHIEF PEOPLE OFFICER

2. Resolution awarding Contract No. 12043, Property and Boiler Insurance to Factory Mutual Insurance Company (FM Global), in the funded not-to-exceed amount of \$1,375,925.00. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving revisions to MLGW HR Policy # 22-01, Tuition Assistance. (JT Young/Von Goodloe)
4. Resolution approving revisions to MLGW HR Policy # 22-13, Sick Leave, Short-Term Disability and Long-Term Disability (Non-Occupational Injury/Illness). (JT Young/Von Goodloe)
5. Resolution approving revisions to MLGW HR Policy # 22-15, Retirement Parties. (JT Young/Von Goodloe)
6. Resolution approving the deletion of MLGW HR Policy # 22-23, Life Threatening Illnesses. (JT Young/Von Goodloe)

CONTROLLER

7. Resolution approving Change No. 12 to Contract No. 11292, Cashiering System Replacement with System Innovators, in the funded amount of \$44,881.44. (This change is to renew annual hardware, software maintenance, and support services for

iNovah, Crediton Software and Opex Hardware (Item Age Express) for the period covering May 1, 2019 through April 30, 2020, which reflects a 5% increase in rates from the previous renewal. The increase is to improve performance of the software, updates (bug fixes and patches), training and retaining support technicians, and developing new functionality. MLGW is requesting continuous maintenance of the acquired systems, which can only be performed by System Innovators and the third party providers.) (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

DESIGN CONSTRUCTION & DELIVERY

(None)

ENGINEERING & OPERATIONS DIVISION

Motion To: Approve Same Day Minutes for Item No. 8

RESULT:	APPROVED [UNANIMOUS] – SAME DAY MINUTES (ITEM 8)
MOVER:	Steven Wishnia, Board Member
SECONDER:	Michael Wishnia, Board Member
AYES:	Michael Pohlman, Steven Wishnia, Carlee McCullough, Leon Dickson
ABSENT:	Mitch Graves

8. Resolution approving the payment of an invoice from Tennessee Public Utility Commission, for the Tennessee Regulatory Authority Inspection Fee for year 2018, in the amount of \$78,000.00. (Nicholas Newman) (SAME DAY MINUTES REQUESTED)

PRESIDENT'S DIVISION

(None)

SVP, CFO & CAO, FINANCE DIVISION

(None)

SHARED SERVICES

9. Resolution approving Change No. 3 to Contract No. 11815, Grounds Maintenance and Landscaping with Landscape Workshop, in the funded amount of \$84,247.00. (This change is to renew the current contract for the third of four annual renewal terms for the period covering May 3, 2019 through May 2, 2020, with no increase in rates from the previous year.) (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)
10. Resolution approving Change No. 2 to Contract No. 11894, Grounds Maintenance - Well Lots with Turf Doctors L&LM, LLC, in the funded amount of \$69,441.40. (This change is to renew the current contract for the second of four annual renewal terms for

the period covering May 17, 2019 through May 16, 2020, with no increase in rates from the previous year.) (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

11. Resolution approving Change No. 1 to Contract No. 11947, Grounds Maintenance with Bean and Prince, Incorporated, in the funded amount of \$412,142.00. (This change is to renew the current contract for the first of four annual renewal terms for the period covering May 12, 2019 through May 11, 2020, with no increase in rates from the previous year. In addition, this change is to add MLGW's vacant property on Elliston, consisting of 13 cuts in the funded amount of \$1,950.00. Lastly, this change is to expand the scope of work to include five additional cuts in the funded amount of \$15,655.00 at each of the following properties: Brunswick Service Center; Sheahan Pumping Station; and the South Service Center. This change and addition increases the contract value in the amount of \$17,605.00.) (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

VP & GENERAL COUNSEL DIVISION

12. Resolution approving Change No. 3 to Contract No. 11661, Medicare 111 Reporting with ExamWorks Clinical Solutions, LLC, with no increase in the contract value. (This change is to ratify and renew the current contract for the third of four annual renewal terms for the period covering January 19, 2019 through January 18, 2020 with no increase in the contract value.) (Clifton Davis)

PRESIDENT'S BRIEFING (Continued):

2. TVA Update - John Thomas, Executive VP and CFO, TVA addressed the Board discussing the long commitment with MLGW and summarized the various topics he would address today. He reviewed statistics and comparisons from past years and projected expectations in future years pertaining to TVA's financial planning results. He explained their methods in executing debt reduction and how MLGW would benefit from that.

He also pointed out that TVA offers the most diverse fleet in the nation and most resilient fuel supply in the U.S. He discussed TVA's contributions to the Memphis community and their commitments. He explained from a competitiveness perspective, that TVA's average energy-only prices are lower than both MISO real-time and day-ahead prices. He also stated TVA pricing is significantly less volatile. In summary, he indicated that the integrated public power model is the most efficient way to serve the Valley. He included that the long range financial plans success will lead to lower rates over the long term and that TVA is the most beneficial solution.

The Board was given the opportunity to ask questions and clarification on a few of the slides in the presentation. Mr. Thomas introduced the other TVA executives that were in attendance. The Board thanked him for his informative presentation.

3. Fourth Quarter, 2018 Healthcare Update - Charles Perry gave a quick summary of the quarterly report. He noted that the prescription claims were down in 2018 compared to 2017. He reported that the number of claims in 2018 as 159,323. In conclusion, he noted that the open claims for short term disability in the fourth quarter was 22 and long term disability claims being at 32. The Board did not have any questions.

4. Budget Update - J. T. Young and Dana Jeanes - President Young gave a recap of the various phases of the approval/rejection of the 2019 Budget process. As he explained, this led to identifying \$40.9 million in cuts. He stated there would be a hiring "frost" (not a freeze), cut tree trimming, environmental spending, other O&M items related to capital work, 50% overtime cut across the board and prorated the remainder needed to "Other" O&M category of spending to all areas.

Dana Jeanes spoke after President Young and advised the Board the most drastic cut will be in the electric division. He covered the February, 2019 preliminary year-to-date results for all three divisions. All three divisions have favorable results in the categories of operating margin variance, expense variance and change in net position variance. Commissioner Dickson asked for an explanation of the overtime cuts. Bill Hawkins asked if TVA could offer a deal similar to the prepaid power deal done in 2004. Mr. Jeanes explained that the prepaid agreement ended in 2018. He stated to do another deal like that one, it would have to make economic sense for MGLW and TVA.

5. Other - J. T. Young

President Young commended Alonzo Weaver in passing the NERC audit that was done on March 13. The audits are conducted every three years and Nick Newman and his group did a great job in preparing for the audit.

COMMITTEE REPORTS:

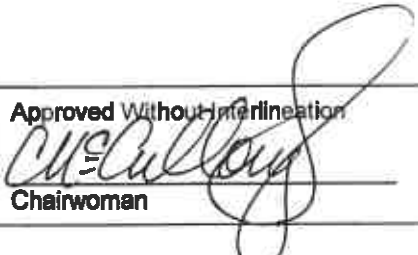
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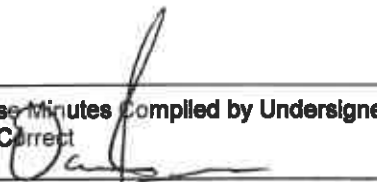
ADJOURNMENT:

Prior to adjournment the audience sang Happy Birthday to Commissioner Dickson and Advisory Member Kicklighter.

There being no further business, the meeting was adjourned at 2:16 p.m.

(See Minute File No. 1435.)

Approved Without Interlineation

Chairwoman

These Minutes Compiled by Undersigned and
are Correct

Secretary-Treasurer