



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Wednesday, November 6, 2019

8:30 AM

Board Room

CALL TO ORDER AND OPENING REMARKS:

Vice-Chair Graves

The meeting was called to order at 8:30 a.m.

PLEDGE OF ALLEGIANCE:

Vice-Chair Graves

The Pledge of Allegiance was recited.

SAFETY BRIEFING:

President 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 pointed out where the AED devices are located. He asked for everyone's cooperation should an emergency arise.

ROLL CALL:

Dana Jeanes

Attendee Name	Title	Status	Arrived
Carlee McCullough	Chairwoman	Late	8:36 AM
Mitch Graves	Vice Chair	Present	
Leon Dickson	Board Member	Absent	
Mike Pohlman	Board Member	Present	
Steven Wishnia	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; Von Goodloe, VP, Shared Services; Lashell Vaughn, VP & CIO; Gale Carson, VP Community and External Affairs; Jim West, VP, Chief Customer Officer; Roland McElrath, VP, Accounting; and Lesa Walton, Chief Internal Auditing Officer.

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

APPROVALS:

Motion To: Approve Minutes of the Meeting of October 23, 2019.

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

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:Dana Jeanes

(None)

PRESENTATIONS:

(None)

GENERAL STATEMENTS FROM THE PUBLIC:

1) Chet Kibble, 3229 Lakeview Rd., had a handout for the Board. He spoke of two types of lead exposure and says his organization is turning this over to the community. He told of an Army vet that received a diagnosis of chronic lead poisoning. In closing, he added that there is no safe level of exposure to lead.

2) Maxine Thomas Marsh, 1343 Ridgeway St., addressed the Board expressing her concern about fluoride in the water. She claims the fluoride is causing her teeth to fall out, staining her teeth and roots to be damaged. She is asking to have the fluoride removed from the water. She said she is angry and upset.

PRESIDENT'S BRIEFING:

1. Public Energy Authority of Kentucky (PEAK) Presentation - Michael Taylor addressed the Board stating this item will bring value to our customers. He acknowledged that this seems "too good to be true", but it is real with a discount that would impact MLGW in a positive way. He discussed the terms of the agreement with the ability to give notice as late as the day before to elect the amount of prepay gas needed. He reviewed the anatomy of the prepay transaction. He explained that MLGW does not pay for the bonds, we receive gas and pay for gas at a discounted rate. He added that MLGW has been doing pre-pay since 2006. He showed a graph that shows the millions of dollars saved. He talked about some of the larger industries in Shelby County that do not buy gas from MLGW and transport it in. He noted that 50% of MLGW's gas is prepay. He discussed how we chose PEAK and one of the slides in the presentation showed the other companies interviewed, but PEAK made the most sense. He added that MLGW is the market leader in getting the lowest administration fees by going with PEAK. He reviewed the risk mitigations and stated there is no risk on a day-to-day basis. He talked about the benefits of the every 5-year opportunity and still having flexibility. He also noted that outside counsel has reviewed the contract and commented that this is the most municipal utility friendly contract that they have seen. The BOC asked questions. He was able to answer their questions. Vice-Chair Graves thanked him for a very good presentation and making everything clear.

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

(President's Briefing Continued on Page 125)

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 9)

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

CHIEF CUSTOMER OFFICER

(None)

CHIEF INTERNAL AUDITING OFFICER

1. Resolution awarding Contract No. 12122, Audit Assurance and Advisory Services to Banks, Finley, White, & Company for professional services, in the funded not-to-exceed amount of \$200,000.00. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)
2. Resolution awarding Contract No. 12123, Information Technology (IT) Audit Assurance and Advisory Services to CBIZ Risk & Advisory Services for professional services, in the funded not-to-exceed amount of \$100,000.00 for professional services. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

CHIEF INFORMATION OFFICER

3. Resolution approving rejection of bids received up to 4:00 p.m., Tuesday, October 8, 2019 for furnishing MLGW with Micro Trend Site Bundle License renewal. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

CHIEF PEOPLE OFFICER

4. Resolution approving revisions to MLGW Human Resources Policy #23-08, Use of Vehicles for MLGW Business. (JT Young/Von Goodloe)

COMMUNITY & EXTERNAL AFFAIRS

(None)

DESIGN CONSTRUCTION & DELIVERY

(None)

ENGINEERING & OPERATIONS DIVISION

5. Resolution requesting approval to ratify and approve Purchase Order Number 7011592 to IAC Companies for two GE 2500 AMP AF/2000 AS 240 volt breakers, in the amount of \$65,306.85. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)
6. Resolution awarding a purchase order to Brighter Days and Nites, Inc., for substation metering equipment, in the amount of \$66,845.97. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

INNOVATION & BUSINESS ANALYTICS

7. ITEM PREVIOUSLY TABLED FROM THE OCTOBER 23, 2019 BOARD MEETING - Resolution approving the purchase of natural gas at a discount to market price from the Public Energy Authority of Kentucky (PEAK), if MLGW commits to purchase certain quantities of gas each year during a contract term not-to-exceed 31 years. (Jim West) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT'S DIVISION

(None)

SVP, CFO & CAO, FINANCE DIVISION

8. Resolution approving Change No. 13 to Contract No. 11292, Cashiering System Replacement with System Innovators, in the funded amount of \$89,148.80. (This change is to renew annual hardware, software maintenance, and support services for iNovah, PCI PA-DSS, and Oracle BS A/R. These components are required for the iNovah cashiering system to integrate with Oracle Business Suite Accounts receivable system and for vendor maintenance compliance with the Payment Card Industry Payment Application Data Security Standard when processing our customer's credit and debit card ATM payments. This compliance is to ensure that the vendor is accepting, processing, storing and transmitting customer's card information in a secure environment. This renewal is for the period covering January 1, 2020 through December 31, 2020.) (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

SVP, COO

(None)

SHARED SERVICES

9. Resolution approving Change No. 5 to Contract No. 11771, Generator Preventive Maintenance and Emergency Repair with Cummins Mid-South, LLC, in the funded not-to-exceed amount of \$25,000.00. (This change is to renew the current contract for the fourth and final annual renewal term for the period covering January 8, 2020 through January 7, 2021, with no increase in rates from the previous renewal.) (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

VP & GENERAL COUNSEL DIVISION

(None)

PRESIDENT'S BRIEFING (Continued):**3. Other - J. T. Young**

President Young advised the Board that the Budget went to the City Council Committee and he thought it went well. In addition, he stated the Baker Tilly & HDR presentation was on the Executive Session Agenda, but due to time constraints, they were only able to speak for a few minutes. They have been invited back to present their findings at the next Executive Session on November 19. All budget items will go to the City Council on November 19.

President Young thanked the MLGW team and all of their work and efforts in making the ESPN event on Saturday a success. He stated a lot of what MLGW did was done behind the scenes and he was very appreciative of all that was done.

President Young reminded everyone that the next PSAT meeting will be held tomorrow from 10:00 a.m. until 2:00 p.m.

Vice Chair Graves stated he saw the Mayor this morning and he was complimentary of the job done by all to make Saturday a success.

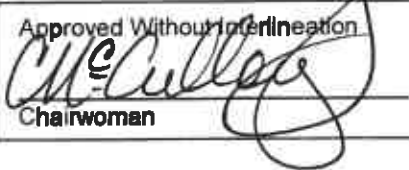
COMMITTEE REPORTS:

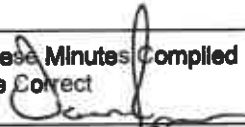
(None)

ADJOURNMENT:

There being no other business, the meeting was adjourned at 9:09 a.m.

(See Minute File No. 1443.)

Approved Without Interlineation

Chairwoman

These Minutes Compiled by Undersigned and
are Correct

Secretary-Treasurer