



# Board of Light, Gas and Water Commissioners

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

## Board Meeting

~ Minutes ~

Wednesday, December 18, 2019

8:30 AM

Board Room

### CALL TO ORDER AND OPENING REMARKS:

Vice-Chair Graves

The meeting was called to order at 8:32 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	8:45 AM
Mitch Graves	Vice Chairman	Present	
Leon Dickson	Board member	Present	
Michael Pohlman	Board Member	Present	
Steven Wishnia	Board Member	Present	

Advisory Board Members: Dwain Kicklighter – Present (Arrived 8:42 AM)  
Kevin Young – Absent

### APPROVALS:

Motion To: Approve Minutes of the Meeting of December 4, 2019.

**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Leon Dickson, Board Member  
**SECONDER:** Steven Wishnia, Board Member  
**AYES:** Pohlman, Wishnia, McCullough, Graves, Dickson

### CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated December 3, 2019, Items 18 through 28. (See Minute File No. 1443.)

### PRESENTATIONS:

(None)

**GENERAL STATEMENTS FROM THE PUBLIC:**

Zach Flanigan, 9408 Osbornetown Rd., addressed the Board introducing himself as an active employee of MLGW working at Brunswick Gas Distribution Center. He stated he and ten other employees went to the Union Hall requesting to no longer be a part of the Union. He indicated they had permission from their Supervisor. He stated a man came out of the office asking if they were sure they wanted to get out of the Union. Mr. Flanigan responded that they were sure and did not feel that IBEW was representing them. The man told them they had the worst Manager at the company. There were two people taking pictures of them and they didn't know who they were or why they would do that. This was all filmed by the MLGW employees and a thumb drive was brought to the meeting today. Mr. Flanigan requested that Lisa Osborn e-mail the video to the Commissioners later in the day. Later, they were called into their Supervisor's office to inform them of a call through BOLO alleging that he and ten other employees were seen on Lamar Avenue drinking and not working, which he stated was a false report. He now feels his job is threatened and he is being bullied. Jaye Mosby-Meachem was in the audience and stated this case is being investigated as a harassment charge.

**PRESIDENT'S BRIEFING:**

1. Tennessee Valley Authority (TVA) Update - Mr. Jeffrey Lyash, President & CEO, thanked the Commissioners for their time and allowing him to speak. He stated the last few months he has visited and gotten to know the MLGW leaders and community. He recognized that MLGW is in the process of evaluating suppliers and stated he is in support of the evaluation. He noted that TVA and MLGW have had a partnership for 80 years and he hopes MLGW will stay with TVA.

Mr. Lyash discussed six elements of value which are: 1) Price - energy at its lowest feasible cost and holding rates in the next decade; 2) Reliability - which is important to businesses, industry and retail customers; 3) Environment Stewardship - TVA's commitment for cleaner transmissions without raising the price; 4) Economic Development - engage in community development and support; 5) Community Engagement - TVA supports Memphis to the sum of \$70 million and partners with MLGW in the Home Energy Lift Program; and 6) Risk Mitigation - at the core of what TVA does naming examples of technology change, transitioning to using less fossil fuel, more renewables, and more hydro-electric which reduces fuel cost risk. He added that with TVA's vast resources, this allows them to have a diverse portfolio to cover customers' needs regardless of their circumstances. He stated this is a commitment that TVA will make to MLGW and Memphis. In closing, Mr. Lyash stated that TVA will continue to work hard and earn trust.

Questions were asked by the Commissioners pertaining to the 10-year financial plan maintaining flat rates as well as other benefits in the financial plan. Mr. Lyash responded by explaining the various years of commitments on behalf of the customers and the advantage of going that route. Questions were also asked of the 3.1% decrease. In response to questions pertaining to TVA's pension plan being underfunded, Mr. Lyash explained that a plan is laid out to correct that. He also discussed the fact they have taken out \$800 million in operating costs. The Allen Plant was discussed and Mr. Lyash assured the Board that this project will be completed; however, a time line is difficult to commit to. He did add that the project has moved expeditiously. He also explained various processes that are done to assure that wells

are not exposed and stated Memphis can be comfortable in the fact that wells are not being exposed.

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

(President's Briefing Continued on Page 141)

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 13)

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Carlee McCullough, Chairwoman ( <i>Vice-Chair Graves Chairing the Meeting</i> )
<b>SECONDER:</b>	Michael Pohlman, Board Member
<b>AYES:</b>	Pohlman, Wishnia, McCullough, Graves, Dickson

#### **CHIEF CUSTOMER OFFICER**

(None)

#### **CHIEF INFORMATION OFFICER**

1. Resolution awarding a purchase order to Unistar Sparco Computers, Inc., for the purchase of maintenance and support for ApplicationXtender software, in the amount of \$59,889.00. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)
2. Resolution approving Change No. 5 to Contract No. 11090, Serena Master License Agreement with MicroFocus (formerly Serena Software, Inc.), in the funded amount of \$174,751.68. (This change is to renew the current contract for annual software maintenance and support services for three years for the period covering July 29, 2020 through July 28, 2023 in the funded amount of \$174,751.68 or \$58,250.56 annually. This renewal reflects a 3% increase in rates for a three year renewal from the previous renewal based an increase in license quantities. MLGW is requesting continuous maintenance of the acquired system, which can only be performed by MicroFocus (formerly Serena Software, Incorporated). (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving Change No. 10 to Contract No. 10908, Mobile Data with ABB Enterprise Software, Incorporated, in the funded amount of \$240,367.31. (This change is to ratify and renew annual software maintenance, license, and support services for the Mobile Dispatching System, Mobile Mapping, and Street Level Routing through the Customer Information System (CIS) covering the period January 1, 2020 through December 31, 2020. This renewal reflects a 1.81% increase from the previous renewal based on the Consumer Pricing Index (CPI). MLGW is requesting continuous

maintenance of the acquired system, which can only be performed by ABB Enterprise Software, Incorporated.) (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

**CHIEF PEOPLE OFFICER**

(None)

**COMMUNITY & EXTERNAL AFFAIRS**

(None)

**DESIGN CONSTRUCTION & DELIVERY**

(None)

**ENGINEERING & OPERATIONS DIVISION**

4. Resolution awarding a strategic alliance purchase order to Alstom Grid, LLC, for high voltage instrument transformers and power line carrier equipment, in an amount not to exceed \$605,000.00 for a 60-month period with the option to renew two additional single year terms. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)
5. Resolution approving Change No. 1 to Contract No. 11912, 10 MBPS Ethernet – Netters/Arlington with AT&T, in the funded amount of \$23,785.44. (This change is to renew the current contract term for 24 months covering the period July 22, 2020 through July 21, 2022, with no increase in rates from the original term. MLGW is requesting continuous service of the acquired system, which can only be performed by AT&T due to AT&T having proprietary rights to the software.) (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)
6. Resolution approving Change No. 1 to Contract No. 11896, Internet Service Provider with Windstream Enterprise, in the funded amount of \$55,200.00. (This change is to renew the current contract term for 24 months covering the period May 1, 2020 through April 30, 2022, with no increase in rates from the original term. MLGW is requesting continuous service of the acquired system, which can only be performed by Windstream Enterprise.) (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)
7. Resolution awarding a purchase order to Heatec, Inc., for a regeneration gas heater, in the amount of \$165,654.00. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

**INNOVATION & BUSINESS ANALYTICS**

(None)

**PRESIDENT'S DIVISION**

8. Resolution implementing the following tiered schedule relating to the sharing of insurance premium costs for MLGW retiree medical plan benefits, as approved by the MLGW Board of Commissioners in a resolution dated October 23, 2019. (For employees hired on or after January 1, 2020 who retire with less than twenty-five years of service, MLGW's share of the retiree medical plan premium costs shall be: Less than 10 years of service - 0%; 10-14 years of service 36%; 15-19 years of service 51%; and 20-24 years of service 66%.) (J. T. Young)

**SVP, CFO & CAO, FINANCE DIVISION**

(None)

**SVP, COO**

(None)

**SHARED SERVICES**

9. Resolution awarding a thirty-six month purchase order to T. R. Miller Mill Company, Inc., for various sizes of southern yellow pine poles, in the amount of \$2,712,976.34. (Clifton Davis) (REQUIRES CITY COUNCIL APPROVAL)

**VP & GENERAL COUNSEL DIVISION**

(None)

**REQUEST TO ADD ON ITEMS 10, 11, 12 AND 13 TO CONSENT AGENDA**

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

10. Resolution approving payment of the total fiscal year 2019 Gas Equivalency Payment to the City, the County and each incorporated municipality in Shelby County before December 31, 2019. (Dana Jeanes) (SAME DAY MINUTES REQUESTED)

11. Resolution approving payment of the total fiscal year 2019 Electric Equivalency Payment to the City, the County and each incorporated municipality in Shelby County before December 31, 2019. (Dana Jeanes) (SAME DAY MINUTES REQUESTED)

12. Resolution acknowledging Joyce Blackmon. (Gale Carson) (*Gale Carson read the resolution from the podium.*)

13. Resolution authorizing the President to negotiate electric division rate options with the Memphis City Council to support the 2020 Budget and the Five-Year Service Improvement Plan. (SAME DAY MINUTES REQUESTED) (*President Young read the resolution.*)

**REQUEST TO APPROVE SAME DAY MINUTES ON ITEMS 8, 10, 11, 12 AND 13**

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

**PRESIDENT'S BRIEFING (Continued):**

3. Third Quarter, 2019 Corporate Scorecard - Valerie McKinney summarized the current measures for the third quarter. She also discussed future measures and their development. There were some that she predicted would be met and others that would not. She explained the reasoning for the predictions.

4. Other – J. T. Young

President Young thanked the MLGW Board of Commissioners for all of their support in 2019. He also acknowledged that Councilwoman Patrice Robinson and Councilman Worth Morgan were present at today's meeting. He congratulated Councilwoman Robinson on her new role as Chairman of the City Council beginning in 2020. He also acknowledged that Councilman Morgan will serve as MLGW's Committee Chair next year. They stated there will be a hearing at the first City Council meeting in January, 2020 regarding the MLGW electric budget.

**COMMITTEE REPORTS:**

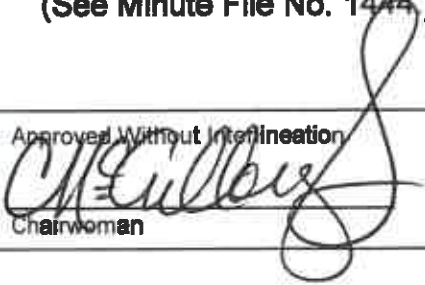
(None)


**ADJOURNMENT:**

Prior to adjournment, President Young wished Commissioner Wishnia a Happy Birthday coming up on January 1. Everyone was invited for pastries after the meeting.

There being no further business, the meeting was adjourned at 9:40 a.m.

(See Minute File No. 1444.)

Approved Without Interlineation  
  
Chairwoman

These Minutes Compiled by Undersigned and  
are Correct  
  
Secretary-Treasurer