



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Wednesday, August 18, 2021

8:30 AM

Board Room

CALL TO ORDER AND OPENING REMARKS:

Vice-Chair Dickson

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

PLEDGE OF ALLEGIANCE:

Vice-Chair Dickson

The Pledge of Allegiance was recited.

ROLL CALL:

Dana Jeanes

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

APPROVALS:

Motion To: Approve Minutes of the Meeting of August 4, 2021.

RESULT:	ADOPTED [3 TO 0]
MOVER:	Michael Pohlman, Board Member
SECONDER:	Carlee McCullough, Board Member
AYES:	Michael Pohlman, Carlee McCullough, Leon Dickson
REMOTE:	Steven Wishnia, Mitch Graves – Cannot Vote

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated July 20, 2021. (See Minute File No. 1463.)

PRESENTATIONS:

2020 Art Contest Winners - Gale Carlson

Ms. Carson gave a brief presentation on the 2020 MLGW Art Contest which included Shelby County Schools and Children's Museum of Memphis serving as Community Partners. There were a total of 150 entries with judging criteria based upon ability to

clearly and creatively communicate the theme "Internet Safety", provide original images of the "Power Bytes" characters and the inclusion of an Internet safety message.

The MLGW logo was included with each submission. She provided the names of the judges and announced the winners of each grade category.

Ms. Carson also mentioned the upcoming 2021 MLGW Art Poster Contest. The tentative theme is Gas Safety with a tentative superhero named Captain Mercaptan. She stated that details and additional information is forthcoming.

GENERAL STATEMENTS FROM THE PUBLIC:

(None)

PRESIDENT'S BRIEFING:

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

(President's Briefing Continued on Page 84)

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 6)

RESULT:	APPROVED [3 TO 0]
MOVER:	Michael Pohlman, Board Member
SECONDER:	Carlee McCullough, Board Member
AYES:	Michael Pohlman, Carlee McCullough, Leon Dickson
REMOTE:	Steven Wishnia, Mitch Graves - Cannot Vote

CHIEF CUSTOMER OFFICER

(None)

CHIEF INFORMATION OFFICER

1. Resolution awarding Contract No. 12297, VMWare 3-Year Enterprise License Agreement to Thomas Gallaway Corporation dba Technologent in the funded amount of \$3,095,009.08. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

CHIEF PEOPLE OFFICER

(None)

COMMUNITY & EXTERNAL AFFAIRS

(None)

DESIGN CONSTRUCTION & DELIVERY

(None)

ENGINEERING & OPERATIONS

2. Resolution awarding purchase order to Global Power Component for prefabricated steel modular equipment enclosure in the amount of \$ 433,816.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving Change No. 2 to Contract No. 12183, Synergi Gas Modeling Software Renewal with DNV-GL Noble Denton USA, LLC, in the funded amount of \$27,524.76. (This change is to ratify and renew maintenance and support services for the period covering August 1, 2021 through July 31, 2022, with a 2.5% increase in rates from the previous term.) MLGW is requesting continuous maintenance, which can only be performed by DNV-GL Noble Denton USA, LLC.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT

(None)

SVP, CFO & CAO, FINANCE

4. Resolution awarding Contract No. 12314, Broker of Record for Cyber Insurance and Other Coverage to Willis Towers Watson Southeast, Incorporated, in the funded amount of \$118,500.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
5. Resolution awarding Contract No. 12158, Self-Insured Healthcare to Cigna, in the estimated funded amount of (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

SVP, CHIEF OPERATING OFFICER

6. Resolution approving Change No. 1 to Contract No. 12218, Power Supply Consultant Solicitation with GDS Associates, Inc., in the funded amount of \$50,000.00. (This change is to update the scope to provide consulting services required for MLGW to solicit requests for proposals for the procurement of electric capacity, energy, transmission, renewable energy (e.g., solar and wind), ancillary services and to assist MLGW in the evaluation of responses to portfolios identified in the Integrated Resource Plan (IRP) and feasible alternatives. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

SHARED SERVICES

(None)

VP & GENERAL COUNSEL

(None)

PRESIDENT'S BRIEFING (Continued):

2. Aquifer Study Update - Dr. Brian Waldron

Dr. Waldron gave an update on the Summer 2021 Memphis Aquifer Research Project. Dr. Waldron reported on the 5 areas of Project Implementation which include: Completed Deliverables; May-August 2021 Deliverables; Upcoming Deliverables December 2021; Upcoming Deliverables 2022-2023; Year 4 Projects

Studies included Sheahan well field breaches in the well field and assess impact of former customer cleaner's site. He reviewed the various locations of abnormal loss which were identified near Austin Peay, Shelby Farms, and Lansdowne Park.

They have great trust in the data characterization discovered while performing aquifer characterization across Shelby County to constrain numerical model parameter estimation.

Dr. Waldron stated that high-frequency antennas did not offer enough penetration depth to see the UCCU. GPR is found to only be useful for shallow depths of 20m.

A current investigation is underway to determine source waters and modern water migration into the Memphis aquifer, development of unconfined conditions and vulnerability to nearby contaminated sites. Northwest corner of Shaw Wellfield appears vulnerable to modern water. Grays creek and absent clay likely reason for leakage and preliminary results show wells with 19-31% modern water.

A discussion took place on how to determine the best practices for simulating groundwater conditions in the complex shallow aquifer. It was noted that inclusion of a denser stream network will vastly improve shallow aquifer gradients especially around windows and in drying/unconfinement situations like at Lichterman wellfield.

He explained how they are looking at the soils. He also added they are using a scour monitor device to determine riverbed thickness.

Results showed that the optimization could eliminate the contamination at the Allen, Davis, McCord, and Shaw well fields through the 50 years simulation. It also lowered the contamination by 92.86 percent at the Lichterman and Sheahan well fields.

With the use of graphs, a brief explanation was given on how the studies assist in determining the location of the wells such as groundwater pumping optimization to minimize contaminant movement from the water table aquifer to Memphis Aquifer using stochastic modeling. They are collecting more samples, and, for the first time, the use of this data determines the measurement of a window's properties.

Currently, a suspicious breach has been detected. A discussion concerning areas that have potential breaches and how they are gaining the data to determine if there are breaches or no conductance. They are identifying known contaminant plume in groundwater. The research team is attempting to use temporal contaminant concentrations to derive an initial range of values, although, there is still a lack of data.

Approaches to filling a window such as using a clay slurry to reduce the soil's hydraulic conductance are being tested; 30% clay has significant impact to impeding water flow in coarse sediment.

3. Key Focus Area Update: "Preparing and Equipping our Workforce" - Jackie Jones

Ms. Jones presented the findings from the 2021 Employment Engagement Survey. The purpose of the survey was to accurately measure MLGW employee perceptions in different dimensions. She noted that MLGW has not conducted this type of survey in over 6 years. The survey consisted of 32 questions and 83% of the total number of employees participated in the survey.

She explained the focal points of the survey and the computed results for each area which consisted of the following:

- Response Rate Company Wide
- Response Rate Senior Leadership Council
- Historical Response Rate Company Wide
- Category Summary Favorability Company Wide
- Senior Leadership Favorability Comparison
- Five Top Most Favorable
- Five Top Most Unfavorable

Critical Concern Index

- Critical Concern Senior Leadership Council
- Critical Concern Areas of Strength and Opportunities

Commissioner Pohlman made an inquiry concerning the critical care index percentages between the years 2010 through 2021. She responded by addressing the areas where MLGW is doing well and the areas that need improvement.

Written Comments

- Areas We Are Addressing
- Areas We Are NOT Addressing

There were approximately 1,600 responses in the "written comment" area broken down by comments submitted online and those written on paper. A comparison between a survey conducted in 2016 and 2021 was shown to reflect the top 3 items being addressed and not addressed for those respective years.

Ms. Jones gave an update on "What's Next?" which is composed of the following initiatives:

- Share Company Wide and area survey results with your employees
- Discuss the area results
- Create an action plan to address issues and/or concerns
- Submit 2021 Action Plans to the area's VP and MLGW University
- Prepare an Action Plan (each Vice President) and submit to the President and MLGW University

Ms. Jones stated that she will continue to update the Board of Commissioners as to how the action plans are progressing.

Ms. Jones gave an engagement overview of MLGW's existing compensation system and processes. Critical success factors of the engagement included:

- Access to streamlined job documentation via Korn Ferry online tools
- A review and confirmation of MLGW's existing job architecture
- A more efficient job grading structure
- A review of pay competitiveness to the external market

- A compensation process audit

She pointed out that information today is based on non-bargaining unit employees and added that this study was conducted based on cash only (no benefits).

Bill Riegel with Korn Ferry reviewed the PowerPoint presentation which provided an executive summary of findings and the steps and approach taken for the study which include:

- Job mapping and level review
- Internal equity analysis
- External competitiveness analysis
- Salary structure development
- Cost impact analysis
- Compensation process audit

The findings of the internal equity analysis showed that there is a strong correlation between job size and base salary at MLGW. Commissioner Wishnia made an inquiry regarding the 16% of employees whose salary is below market value.

President Young stated that the criteria used to determine salary includes performance, time on the job, comparables and peer set. He noted that the majority of employees are brought in at 85% taking experience into consideration.

The external competitiveness analysis compares employee pay to the external pay market. Mr. Riegel discussed the various sources used to collect the data. Korn Ferry confirmed a functional pay premium in the market for technical roles over non-technical roles. The external market competitiveness analysis revealed that the population at MLGW is currently paid competitively when compared to the market median. The external competitiveness analysis compares employees against the external market reveals that the population at MLGW is currently paid competitively when compared to the market median. He noted that the competitive positioning is not surprising considering the low turnover rate and high average tenure across the employee population.

He summarized equity adjustments noting that there are a minimal number of incumbents who will be below the new salary grade minimums upon implementation. The cost impact of implementation is considered to be the cost required to bring any employees below their salary grade minimum up to, at least, their salary grade minimum. The total cost of these equity adjustments could be up to \$840k.

Commissioner Pohlman asked how the number of job grades are going to be dropped so drastically. Mr. Riegel responded by explaining the philosophy of Korn Ferry.

President Young thanked Ms. Jones and her team for their hard work in compiling all of this information and a job well done. He added that Dr. Goodloe assisted in spear heading this initiative and appreciated all of his efforts in this regard. He pointed out that we learned a lot from this endeavor. The information obtained will be used moving forward in a positive direction and will be most helpful in making changes where necessary.

4. Other - J. T. Young

President Young thanked the crews for their dedication and hard work.

He discussed the Share the Pennies program where customers contribute \$4mm invested so far. About 540 homes that have been repaired. He thanked the MLGW team for their work.

He talked about the incentive offered to employees and about 500 employees have taken advantage of the incentive. He stressed management continues to enforce mask wearing and remain safe.

Prior to adjournment of the meeting, Vice-Chair Dickson wished Chairman Graves a speedy recovery and extended condolences to Commissioner Wishnia in the loss of his brother-in-law.

COMMITTEE REPORTS:

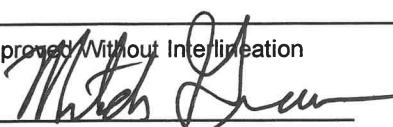
(None)

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:12 a.m.

(See Minute File No. 1463.)

Approved Without Interlineation


Chairman

These Minutes Compiled by Undersigned and
are Correct


Secretary-Treasurer