



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Wednesday, March 16, 2022

8:30 AM

Board Room

CALL TO ORDER AND OPENING REMARKS:

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

Chairman Graves

PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited.

Chairman Graves

ROLL CALL:

Dana Jeanes

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

APPROVALS:

Motion To: Approve Minutes of the Meeting of March 2, 2022.

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

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated March 1, 2022, items 16 through 24, 35, and 36. (See Minute File No. 1468.)

PRESENTATIONS:

(None)

GENERAL STATEMENTS FROM THE PUBLIC:

Mr. Dennis Lynch, 347 N. McLean thanked the board and MLGW staff for giving him the opportunity to speak. Mr. Lynch stated that he's concerned that the public doesn't have input on the RFP process for considering the proposals to provide energy to MLGW. Mr. Lynch stated that he recommends the division consider creating a small group of independent professionals charged with the responsibility of conducting an independent review of the proposals; adding that it's needed before selection of the two proposals to be recommended by the division and reviewed by the Board. He closed by stating that he plans to request a meeting with President Young and members of the RFP team. He

thanked the Board again for the opportunity to speak.

Ms. Marilyn Taylor, 6606 Moon Dance, Olive Branch, MS and Ms. Irika S. Gentry, 7536 Carmon Drive, Olive Branch, MS, both MLGW employees.

Ms. Taylor stated that they are speaking on behalf of the dispatchers. Ms. Gentry stated that she works for service dispatching/control room. Ms. Gentry read the policy on workplace bullying. After reading the policy, Ms. Gentry stated that on March 1, a supervisor was belligerent, unprofessional and they felt threatened. Management was made aware, and Ms. Taylor and Ms. Gentry were informed that MLGW Security would the matter. Ms. Gentry informed the board that documentation packets on the matter were being provided to them. Ms. Gentry stated that dispatch responsibilities can be stressful, given the nature of the job, and a difficult work environment increases stress. In closing, Ms. Gentry stated that she loves her job and wants help improving the area's work environment.

Chairman Graves thanked Ms. Taylor and Ms. Gentry, informing them that President Young and Ms. Jackie Jones will look into their request and follow up with them and the Board.

PRESIDENT'S BRIEFING:

1. Greater Memphis Chamber Update - Ted Townsend

Mr. Ted Townsend, Chief Economic Development Officer for the Greater Memphis Chamber, stated that he was pleased to present at the meeting and that the Chamber's President & CEO, Mrs. Beverly Robertson, would join virtually to update the Board on the Chamber's activities. Mrs. Robertson thanked the Board for allowing them to present once again. She added that the Chamber has been incredibly busy preparing the Memphis marketplace for the future.

Mrs. Robertson shared that she would cover three items: the MLGW Business Advisory Council, Workforce Legislation and Vision 2030.

Mrs. Robertson stated that the MLGW Business Advisory Council organized by the Chamber, in consultation with MLGW President JT Young, was launched in April. The intent of the council is to create a direct communication and relationship channel between MLGW and select industry leaders within the MLGW coverage area to address questions and concerns. It is anticipated that the council will meeting twice a year or quarterly if needed.

Workforce Legislation -- The Chamber has been working with a number of state-wide partners to ensure that job growth is top of mind, given a number of concerning bills before the state assembly. She added that the Chamber has a watch list of ten bills they are closely following and seven bills the Chamber and its partners are actively lobbying against.

Mrs. Robertson stated that she wants to bring attention to and garner support on the importance of two particular bills to ensure they are passed by the legislature. The first bill, House and Senate Bill 2429, was initially drafted by the Chamber to establish an Industry 4.0 Diploma. The 4.0 Diploma will allow dual enrollment and/or workplace learning opportunities to connect high school students to careers and post-secondary opportunities. This is significant because approximately 50% of high school graduates

will not pursue a college degree. There is a need for this group to have training that will prepare them for careers that will allow them to buy homes, obtain transportation, take care of families, etc.

The second bill, House Bill 2455 and Senate Bill 2442, creates flexibility in hiring experienced vocation and technical instructors to teach at the high school level. There are presently parameters that do not allow current instructors, who are technical experts, to teach without obtaining an additional 18-months of training. Passage of this bill will help the Chamber to address, exponentially, the workforce shortage needs that are impacting many Memphis businesses.

Mrs. Robertson stated the third and final topic she'd like to discuss is Vision 2030. Vision 2030 is the Chamber's strategic business plan to drive regional competitiveness. Through the plan seven key regional priorities and goals are identified. Business councils and task forces will be formulated to populate the strategy for each priority. Once the strategy is completed the Chamber can provide an overview to the MLGW Board at a subsequent meeting.

Mrs. Robertson turned the floor over to Mr. Ted Townsend to provide an Economic Development Update. Mr. Townsend stated that over the past year many workforce development activities have taken place. In particular, the Valencia College Mission Trip. He added that the Chamber was glad that Gale Jones Carson, MLGW's VP, Community and External Affairs was able to join them on the trip along with many Chairman's Circle members. On the mission trip, they group saw 'best practices' in terms of accelerated skills training in the United States. Mr. Townsend stated that The Chamber understands the huge demand for jobs and the need for a more accelerated pace for skills development. The goal was to return to Memphis with some 'best practices' to serve the Greater Memphis region.

Mr. Townsend stated that as a follow up on Mrs. Robertson's overview of pending legislation for the Industry 4.0 Diploma, the bill has advanced through the House Education Sub-Committee, and they expect it will pass.

Mr. Townsend stated that the Chamber is always looking at ways to mitigate risk and increase funding opportunities, adding that over the last two years an economic development strategy has been put together which coalesces in the Economic Development Administration's (EDA) Build Back Better Grant Challenge which helps communities rebuild from the pandemic. A point of note, one requirement by the EDA's Build Back Better Grant read directly from the Chamber's plan. The Chamber built a consortium of partners to pursue the grant with support from many in the private sector. The grant was the most competitive process in EDA's history with 529 applicants with only 60 being selected as finalists for the Phase 2 round.

The Chamber's proposal, led by the University of Memphis and other partners, competed against proposals from Tennessee including Vanderbilt and the Oakridge-UT Knoxville Partnership. The Chamber is proud to have come out on top. The premise of The Chamber's proposal, The Digital Delta, is to create a hub for applied technologies, especially related to electric vehicles. The Phase 2 proposal was submitted this past Friday and expectations are to be notified early this summer with an official announcement in September. The grant is up to \$75M. The Chamber is leading the human capital component of the proposal with \$15M of the \$75M.

Mr. Townsend shared that in addition to Economic Development and Workforce Development, the Chamber is also focused on public policy. The Chamber recently worked with TDOT to host Stephanie Pollock with the Federal Highway Administration and Pete Buttigieg, U.S. Secretary of Transportation, in Memphis to expedite efforts to repair the Memphis/Arkansas Bridge.

Mr. Townsend stated that MLGW's investment in the Chamber helps them with its Memphis Moves Campaign, allowing them to market Memphis to the world. Since the launch of the campaign there have been 7,000 page views, 20,000 interactions and 44 form submissions or leads by businesses that are interested in the Memphis market. Two awareness campaigns have been held in Seattle and Chicago and these are expected to convert into project leads and powered users.

Mr. Townsend provided a detailed update on the Project Pipeline results with 104 projects facilitated, 33 located and the creation of 9,374 new jobs, the retention of 1,537 jobs with an average salary of \$50,595 annually for \$6.8B in total new investment. He added that the 2021 Direct ROI to MLGW resulted in 11 projects located with new electric revenue of \$10.6 million and \$1.2 million in electric construction credit allowance. Mr. Townsend informed the Board that in 2021 The Chamber was able to recapture almost all of the jobs pre-pandemic and are now about 1,000 jobs short. Those jobs are mostly in the hospitality, healthcare and education arenas. He added there was a 13% growth in supply chain and logistics. This data substantiates that the growth trend exists.

Mr. Townsend closed by saying that he commends the Division and the leadership for getting the power back on during the recent winter storm. He stated that the Chamber heard from businesses about the power outage, and he commends the resiliency that MLGW represents in the community and thanked the division for its partnership.

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

(President's Briefing Continued on Page 33)

The original of the resolutions and documents relating to each item is filed in the vault of 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.

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

CONSENT AGENDA (Items 1 through 10)

CHIEF CUSTOMER OFFICER

1. Resolution awarding a purchase order to Engineered Sealing Components for electric smart meters in the amount of \$308,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

CHIEF INFORMATION OFFICER

(None)

CHIEF PEOPLE OFFICER

(None)

COMMUNITY & EXTERNAL AFFAIRS

2. Resolution approving the agreement of the on-going commitment to local economic and community development and research with the Greater Memphis Chamber, in the funded amount of \$175,000. (This agreement will be for services to be rendered by the Greater Memphis Chamber for the period January 1, 2022 through December 31, 2022.) (Gale Carson) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving a contract between MLGW and TVA to support industrial recruitment, development and expansion of business and industry in the Memphis/Shelby County area and payment to the Greater Memphis Chamber. The total funded amount of the contract is \$80,608.00 of which TVA reimburses MLGW \$40,304.00. (Gale Carson) (REQUIRES CITY COUNCIL APPROVAL)

DESIGN CONSTRUCTION & DELIVERY

(None)

ENGINEERING & OPERATIONS

4. Resolution approving the payment of an invoice from the American Public Gas Association for the 2022 Annual Membership Dues Renewal, in the amount of \$57,000.00. (NICK NEWMAN) (REQUIRES CITY COUNCIL APPROVAL)
5. Resolution approving Change No. 4 to Contract No. 11800, InfoWater Hydraulic Model Implementation Services with Innovyze, LLC, in the funded amount of \$11,940.00. (This change is to renew annual license, maintenance, and support services for the Water Modeling Software for the period covering May 15, 2022 through May 14, 2023. Innovyze, Incorporated is the sole owner, developer, and distributor of the InfoWater Software Package. MLGW is requesting continuous maintenance of the acquired system, which can only be performed by Innovyze, Incorporated.) (Randy Orsby) (CITY COUNCIL APPROVAL REQUIRED)
6. Resolution awarding Contract No. 12343, Chemical Containment and Tank Installation at Water Pumping Stations to Chris-Hill Construction Company, LLC, in the funded amount of \$2,372,210.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
7. Resolution approving Change No. 18 to Contract No. 9955, Partial Funding of Pollution Control-Ground Water Quality Control Program with Memphis & Shelby County Health Department, to authorize the annual fee payment in the funded amount of \$142,188.20. (This change is based on fiscal year 2021 data, covering January 1, 2021 through

December 31, 2021, with an increase in meters from 257,942 to 258,524 from the previous year.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT

(None)

SVP, CFO & CAO, FINANCE

8. Resolution approving Change No. 16 to Contract No. 10793, Professional Portfolio Software with Advent Software, Incorporated, in the funded amount of \$34,398.35. (This change is to renew the current contract for an additional year for the period covering May 11, 2022 through May 10, 2023, which reflects a 3% increase in rates from the previous term. MLGW is requesting approval of continuous maintenance support of the acquired system, which can only be performed by Advent Software, Incorporated.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

SVP, CHIEF OPERATING OFFICER

(None)

SHARED SERVICES

9. Resolution awarding a purchase order to Brighter Days and Nites, Inc., for gas regulators in the amount of \$783,838.50. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
10. Resolution awarding a purchase order to Automotive Tool Group for polyvinyl chloride (PVC) conduit in the amount of \$311,250.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP & GENERAL COUNSEL

(None)

PRESIDENT'S BRIEFING (Continued):**3. Fourth Quarter, 2021 Compliance Report - Cheryl Patterson**

Cheryl Patterson, VP, General Counsel and Compliance Officer informed the Board that the Compliance update covers the 1st Quarter 2022 rather than 4th Quarter 2021, as listed on the agenda.

Mrs. Patterson stated that the division is due for both its tri-annual audits by the North American Electric Reliability Corporation (NERC) of standards for its electric system this year. Additionally, notification was received last month that the division's Critical Infrastructure Protection Audit will be conducted by the Federal Energy Regulatory Commission (FERC) rather than by SERC, the normal regulator. This is a major change because FERC does not limit its scope and nor do they follow NERC's rules of procedures. This is the first time the division will have undergone a FERC audit and all requirements for CIP standards are being audited on a progressive schedule. This audit is scheduled onsite for May 13, 2022. The NERC Operations and Planning (O&P) audit is scheduled onsite this year as well for June 24th.

Mrs. Patterson added that the division is also responding to and implementing changes with respect to the Transportation Security Administration's (TSA) regulations related to

pipelines on the gas side. TSA notified the division that they plan to conduct an audit in July.

Mrs. Patterson stated that the audits have never run this close together and the Subject Matter Experts (SMEs) for the audits is comprised of the same staff group. They will be challenged to operate the business and respond to the audits as needed. She added that the division has already begun providing responses to document requests on the CIP and OP audits. The staff is working fervently to stay on track as it moves forward.

Mrs. Patterson added that with the war on Ukraine many companies are on high alert for potential attacks on critical infrastructure. The division is responding to the concerns and adding additional staff training to be prepared.

In closing, Mrs. Patterson stated that the division's Ethics Policy is being updated and she expects to present it to the Board at its next meeting.

4. Other - J. T. Young

President Young stated that this Friday, March 18, we will celebrate Natural Gas Utility Workers Day. It is important to acknowledge, recognize and express gratitude to the employees who engage in providing natural gas services safely. President Young stated that he wants to thank and honor the team for working hard and doing a great job.

He shared that the reason the smell of natural gas can be detected today is because on March 18, 1937 an explosion occurred at a school in New London, Texas. Following that explosion, mercaptan was added to natural gas allowing it to be detected. He added that safety is so important for our gas employees and last fall the division completed a significant milestone with the completion of the Cast Iron Replacement Project, which was designed overall to make the system safer. President Young stated that the Division's gas employees do their jobs daily without much fanfare or recognition and he wants to absolutely acknowledge and thank all of them, including engineering, construction and many others for the fine work they do for our community.

In closing, President Young stated that the division will host a Power Hour virtually on tomorrow evening to update the community on the infrastructure improvements and the recent winter storm. He added that the first Outage Improvement Advisory Team Meeting will be held on tomorrow, 9am and thanked Chairman Graves for joining that team. The meeting will be held at the Ben F. Hooks Center and so will the next meeting on March 31.

COMMITTEE REPORTS:

(None)

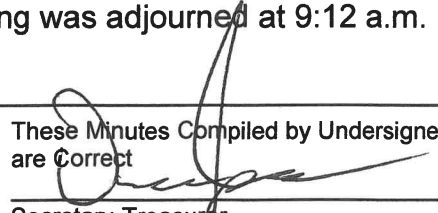
ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:12 a.m.
(See Minute File No. 1468.)

Approved Without Interlineation


Chairman

These Minutes Compiled by Undersigned and
are Correct


Secretary-Treasurer