



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Wednesday, October 26, 2022

8:30 AM

Board Room

CALL TO ORDER AND OPENING REMARKS:

Chairman Graves

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

A moment of silence was held for Representative Barbara Cooper who passed away yesterday.

Chairman Graves congratulated Dana Jeanes for receiving the Memphis Business Journal CFO of the Year award. He thanked Mr. Jeanes for his diligent work at MLGW and stated he is very proud of him and the work he does.

PLEDGE OF ALLEGIANCE:

Chairman Graves

The Pledge of Allegiance was recited.

ROLL CALL:

Dana Jeanes

Attendee Name	Title	Status	Arrived
Michael Pohlman	Board Member	Present	
Cheryl Pesce	Board Member	Present	
Carl Person	Board Member	Present	
Mitch Graves	Chairman	Present	
Leon Dickson	Vice Chair	Present	

APPROVALS:

Motion To: Approve Minutes from the Meeting of October 5, 2022.

RESULT: ADOPTED [UNANIMOUS]
MOVER: Michael Pohlman, Board Member
SECONDER: Cheryl Pesce, Board Member
AYES: Pohlman, Pesce, Person, Graves, Dickson

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated October 11, 2022, items 16 through 24. (See Minute File No. 1474.)

Receipt of Certified Copies of City Council Resolutions dated October 18, 2022, Items 12 through 21. (See Minute File No. 1475.)

PRESENTATIONS:

MLGW 2022 United Way Campaign Presentation - Gale Carson introduced Beverly Perkins, United Way Chair of the 2022 campaign. Ms. Perkins spoke of the dreams people have and what United Way does to make those dreams come true. The United Way Campaign theme video was shown, "Mission: Possible". She reminded everyone that the campaign kicked off on October 24. She introduced Dr. Kenneth Robinson who enthusiastically delivered his excitement about MLGW's past successes in their campaigns. He stated this is a possible mission that can build communities and change lives. He reminded everyone that UW has done something unprecedented by building a network and a system of agencies connected together to assist people in needs such as housing, childcare, and other silo services. He emphasized that MLGW has the power, as they have done many times before, in making dreams come true.

GENERAL STATEMENT(S) FROM THE PUBLIC:

(None)

PRESIDENT'S BRIEFING:

1. Review Consent Agenda - Alonzo Weaver

Before voting on the 2023 budget, Interim Chief Utility Officer Alonzo Weaver asked Dana Jeanes to review the changes from the previous presentation. Mr. Jeanes explained the increase of \$389k due to labor position additions and reclassifications of positions. He gave a breakdown of the areas/departments that are affected by this. He added the details of the budget "clean-up/sweep" of \$11k decrease in O&M. Lastly, he discussed a \$120k increase in control area equipment finalization. The total net change equated to a \$498 increase.

The Commissioners were given an opportunity to ask question and comment. Commissioner Pohlman noted that engineering and construction maintenance used to dominate the utility company's budget and now it is less than 50%. He questioned if we are focused on spending in the right places. Mr. Jeanes responded by discussing the line items that were included in the 5-year budget plan and the budget is established working closely with engineering and other key departments. He added that he believes we have a good plan; however there have been challenges in obtaining materials as well the tree trimming challenges. He added that MLGW is stocking up on inventory so materials are available to do the work. He added that construction has been on the rise with new customers, which requires additional construction and engineering equipment. Mr. Weaver added that contractors are having trouble getting crews and the supply chain is a challenge. He stated that he takes Commissioner Pohlman's comments to heart, and we can take another look at the plan. Commissioner Pohlman asked if IBEW is helping and cooperating through the challenges. Mr. Weaver stated that they are.

Commissioner Pesce asked Mr. Jeanes to explain what "common costs" are. He responded by explaining they are common needs of all the divisions and the costs are shared and calculated on a ratio basis.

Commissioner Person commented on staffing and the technology side of the business. He asked Mr. Jeanes to clarify and he stated he is in agreement of reactivating the

positions. Mr. Jeanes explained the budget process and how each department brings their VPs, managers, and key personnel to individual meetings.

When asked, Mr. Jeanes responded that his biggest worry being able to execute. Mr. Weaver stated his biggest concern is having the staffing. Commissioner Person spoke of incentives other companies are offering to draw new staff. Jackie Jones approached the podium and discussed an employee referral program that is being considered. She added that HR is going through process improvements, streamlining, improving training for new employees, and making sure employees that are hired have a strong support system.

(President's Briefing Continued on Page 121)

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.

CONSENT AGENDA

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Leon Dickson, Vice Chair
SECONDER:	Michael Pohlman, Board Member
AYES:	Pohlman, Pesce, Person, Graves, Dickson

VP CUSTOMER EXPERIENCE & ENERGY SERVICES

(None)

CHIEF INFORMATION OFFICER

(None)

CHIEF PEOPLE OFFICER

(None)

COMMUNITY & EXTERNAL AFFAIRS

(None)

DESIGN CONSTRUCTION & DELIVERY

(None)

ENGINEERING & OPERATIONS

1. Resolution approving Change No. 2 to Contract No. 12134, UAV Flight Inspection of Overhead Electric Lines to Allen & Hoshall, Inc., with no increase in the contract value. (This change is to renew the current contract for the second of four annual renewal terms for the period covering March 1, 2023 through February 29, 2024) (Randy Orsby)

PRESIDENT

2. Resolution approving the Budget for the Electric, Gas and Water Divisions for the 2023 operating expenses and capital expenditures, to be adopted and in effect for the fiscal

year 2023, subject to the consent and approval of the Council of the City of Memphis.
(Alonzo Weaver) (REQUIRES CITY COUNCIL APPROVAL)

SVP, CFO & CAO, FINANCE
(None)

SVP, CHIEF OPERATING OFFICER
(None)

SHARED SERVICES
(None)

VP & GENERAL COUNSEL
(None)

PRESIDENT'S BRIEFING (Continued):

2. Third Quarter Compliance Report - Allan Long is not able to be at the meeting. In his absence, Cheryl Patterson reported that there is continued dialog with FERC concerning the audit of our compliance with CIP standards developed by NERC. An interim presentation identifying findings and other risks, a number of recommendations, and nine, all of which are being embraced to protect our assets. The final report is not expected for several months.

Ms. Patterson also reported that SERC was on-site to conclude their audit of compliance with NERC's O&P standards for the electric system. There were no potential non-compliances identified, nor any areas of concern.

On the gas side, she reported a team from TSA visited in July and assessed compliance with two security directives issued last year. They were very pleased with the response.

TSA re-issued their first security directive of last year and issued a significant revision to the second directive. MLGW is required to submit a cybersecurity implementation plan due in October. Once TSA approves, MLGW will have 60 days to submit an annual auditing program.

The gas division received visits from the TN Public Service Commission and the Pipeline & Hazardous Materials Safety Administration and are following up on a variety of recommendations.

The water division met with TDEC for follow-up on their routine inspections. It was a detailed and efficient review. More feedback will be coming from TDEC in the coming weeks.

Internally, the annual cyber security training for MLGW computer users has been conducted. In the next quarter, training will take place on ethics and important HR topics. In addition, the Ethics Policy will be brought to the board meeting soon for a vote.

3. HR Committee Update and Policy Revisions - Jackie Jones reviewed the information pertaining to grievances, safety, and employee turnover statistics. She was happy to report there were no new fuel pump pull offs since the last meeting. She added that there is some improvement in safety and projected that some of the goals will be met.

She reviewed the proposed revisions to the policies noted below:

- * HR Policy #22-14 - Workers' Compensation Program (Occupational Injury/Illness)
- * HR Policy #22-20 - The Use of Division Facilities and Other Activities
- * HR Policy #23-01 - Tardiness and Failure to Report to Work
- * HR Policy #23-11 - Political Activity
- * HR Policy #23-32 - Employee Inspections and Searches

Ms. Jones also informed the board that instead of a company picnic this year, food trucks were at several MLGW locations for the employees to enjoy a meal. She thanked the senior leadership staff for going out to the various locations to socialize with the employees. She stated there has been a lot of positive feedback from the employees.

4. Other - Alonzo Weaver

Alonzo Weaver stated the storm that came through yesterday evening still has a few customers without power. We are working to get them restored.

He discussed the two public meetings held in Germantown and at First Baptist Church Broad. He thanked Gale Carson and her staff for organizing the meetings and also thanked Frank Fletcher for putting the presentations together. He said there was good attendance at both.

COMMITTEE REPORTS:

See Item No. 3 under President's Briefing

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:21 a.m.

(See Minute File No. 1475.)

Approved Without Interlineation


Chairman

These Minutes Compiled by Undersigned and
are Correct


Secretary-Treasurer