



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Wednesday, December 7, 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.

Chairman Graves requested a moment of silence and remember Pearl Harbor day and the loss of lives.

Chairman Graves read the resolution honoring past President David F. Hansen who passed away on November 2, 2022. He shared Mr. Hansen's accomplishments and gave accolades to the many achievements at MLGW as President & CEO.

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 of the Meeting of November 16, 2022.

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

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated November 15, 2022, items 16 through 36. (See Minute File No. 1476.)

PRESENTATIONS:

(None)

GENERAL STATEMENT(S) FROM THE PUBLIC:

1) Justin Pearson, 3831 Masterson St., addressed the Board asking them to not to approve the LTA with TVA. He mentioned the news report earlier in the week in the mishandling of disposal of waste in the South Memphis area. He discussed the consequences and noted that TVA should offer the same benefits with the current contract as they are offering with the LTA. Memphis needs the power to negotiate. He stated TVA is opening a gas plant and doesn't believe TVA is trying to produce cleaner energy. Commissioner Pesce congratulated Mr. Pearson as being named one of 2022 most influential black Americans and was the only person named from Memphis.

2) Tim Birchett, 625 Brister, addressed the Board by introducing himself and explained the organizations he is associated with. He stated he came today with a simple mathematical question and talked about the statistics and calculation of how much CO2 emission is coming from his apartment complex and how much could be eliminated from the environment if we had a solar hydrogen system.

Chairman Graves stated before he calls the next speaker to the podium, he wanted to address an e-mail received through Corporate Communications which only has a name "Ms. Jo". The e-mail concerns a refund for leased outdoor lighting which was not used during the billed period. Chairman Graves noted that MLGW employee, Travis Reliford is working with the customer trying to resolve.

3) Carl Richards, 434 Meadvale, thanked the board for the opportunity to speak as the Chairman of the local Sierra Club in West TN. He stressed his opposition to the long-term agreement with TVA. He thanked the board and the staff for their time and work and noted this has been a long process.

4) Pearl Walker, 5378 Lochlemond Rd., spoke of the organizations she is involved with and stated they have been involved in the IRP and RFP process from the beginning. She stated her reasoning why the board should not agree to the LTA with TVA. She mentioned in Whitehaven they are not far from the coal ash exit and talked about how close this is to Graceland. She used some of Elvis's songs to express her opposition to the LTA.

5) Alden Schmidt, 986 Blythe St., addressed the board stating she is a born and raised Memphian, representing the young people. She voiced her position on the never-ending contract and referenced the young people and the future of the community. She spoke of protecting our valuable resources.

6) Sarah Houston, 200 Wagner Place, addressed the board discussing the aquifer and how the power supply affects the water supply, air, land use, and bills. She added that the long-term agreement provides stability for TVA, but it removes public in-put. She discussed GDS. She also stated that TVA was wrong digging the five wells due to possible contamination of the aquifer and water supply. She stated that TVA should be held responsible for the coal ash. She is asking that resolution 12 and 13 be voted down.

7) Paul Klein, 1841 Black Bear Circle, addressed the board regarding their power supply decision. He expressed that climate change is real, yet TVA's proposal only

shows a tiny amount of energy will be coming from solar. He is opposed to the "never ending" contract and believes it restricts MLGW in the opportunity to work toward greener energy. He is asking that MLGW keep the current contract and not approve the LTA.

8) Aaron Lewis, 3820 Treasure Hills Cove, addressed the board introducing himself and adding his experience. He discussed environmental concerns. He said Memphis is not getting the opportunities it needs and expressed his passion of that.

9) Dedrick Brittenum, 3385 Airways Blvd., introduced himself to the board as an attorney. He asked the Chairman if he could distribute a letter that he sent to all the Commissioners. Chairman Graves informed him that they all have it. He stated his understanding of the reason items 12 and 13 are on today's agenda is because they are continued from a previous agenda, and extended to today's meeting to reveal the results of the Haney appeal, of which he represents the Haney Co. He stated on November 17 the Appeal Committee (with Commissioner Pohlman Chairing that meeting) heard the Haney appeal and decided to hold that matter until President McGowen could come in and review the entire process. He is asking to read a letter into the record and then make specific request. He read a letter dated December 5 addressed to Chair Graves into the record (letter included in the minutes file). He summarized by saying this morning he is requesting items 12 and 13 be removed from the agenda to allow President McGowen time to review it or extend items 12 and 13 to a meeting in the future which would allow President McGowen to review it and bring back a recommendation to the board. (Chairman Graves asked Ms. Patterson, VP, General Counsel, if a report would be given today and noted there was a decision made by the Appeal Committee. Ms. Patterson explained that under the provisions of the Customer Appeal Policy, the Committee's decision will be reported during the discussion of items 12 and 13. Mr. Brittenum stated there may be a "notice issue with that" and stated this is the first time the Haney Co. has heard anything about a decision by the CAC, adding this is "highly unusual".

PRESIDENT'S BRIEFING:

1. Review of Consent Agenda and Regular Agenda - Alonzo Weaver

(President's Briefing Continued on Page 142)

CONSENT AGENDA

(Items 1 through 11)

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

VP of CUSTOMER EXPERIENCE and ENERGY SERVICES

(None)

CHIEF INFORMATION OFFICER

(None)

CHIEF PEOPLE OFFICER

1. Resolution approving Change No. 1 to Contract No. 12348 (solicited under Contract No. 12294), Temporary Employment Services for Skilled Craftsman/Technical with Resource Management Group to renew the current contract in the funded amount of \$141,214.04. (This change is to ratify and renew the current contract for the first of four annual renewal terms for the period covering January 19, 2023 through January 18, 2024.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
2. Resolution approving Change No. 1 to Contract No. 12347 (solicited under Contract No. 12294), Temporary Employment Services for General Laborer Services with Millennium Search, LLC., in the funded amount of \$700,000.00. (This change is to ratify and renew the current contract for the first of four annual renewal terms for the period covering January 1, 2023 through December 31, 2023.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving Change No. 1 to Contract No. 12294, Temporary Employment Services for Clerical Support with Millennium Search, LLC., in the funded amount of \$1,100,000.00. (This change is to ratify and renew the current contract for the first of four annual renewal terms for the period covering January 1, 2023 through December 31, 2023.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

COMMUNITY & EXTERNAL AFFAIRS

(None)

DESIGN CONSTRUCTION & DELIVERY

(None)

ENGINEERING & OPERATIONS

4. Resolution approving Change No. 6 to Contract No. 11868, Water Design for Tennessee Department of Transportation (TDOT) with Allen & Hoshall, Incorporated with no increase in the contract value. (This change is to ratify and extend the current contract for the period covering November 21, 2022 through November 20, 2023.) (Randy Orsby)
5. Resolution approving Change No. 6 to Contract No. 11866, Gas Design for Tennessee Department of Transportation (TDOT) with Allen & Hoshall, Incorporated with no increase in the contract value. (This change is to ratify and extend the current contract for the period covering November 21, 2022 through November 20, 2023.) (Randy Orsby)
6. Resolution approving Change No. 6 to Contract No. 11865, Electric Design for Tennessee Department of Transportation (TDOT) with Allen & Hoshall, Incorporated with no increase in the contract value. (This change is to ratify and extend the current

contract for the period covering November 21, 2022 through November 20, 2023)
(Randy Orsby)

7. Resolution approving Change No. 4 to Contract No. 12035, Environmental Consulting and Remediation Services with BH&M Environmental Consultants, Incorporated in the funded amount of \$7,500,000.00. (This change is to renew the current contract for the fourth and final renewal term for the period covering April 8, 2023 through April 7, 2024.)
(Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT

(None)

SVP, CFO & CAO, FINANCE

(None)

SVP, CHIEF OPERATING OFFICER

(None)

SHARED SERVICES

8. Resolution awarding Contract No. 12378, Fleet Maintenance to Goodyear Commercial Tire and Service Center in the funded amount of \$1,100,000.00. (Randy Orsby)
(REQUIRES CITY COUNCIL APPROVAL)
9. Resolution awarding a purchase order to Altec Industries Incorporated, for digger derrick trucks in the amount of \$819,300.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
10. Resolution awarding Contract No. 12410 (solicited under Contract No. 12253), On Call Consulting Services to Smith Seckman Reid, Incorporated in the funded amount of \$400,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
11. Resolution awarding Contract No. 12253, On Call Consulting Services to Allen & Hoshall, Incorporated in the funded amount of \$500,000.00. (Randy Orsby)
(REQUIRES CITY COUNCIL APPROVAL)

VP & GENERAL COUNSEL

(None)

Chairman Graves adjourned for a 5-minute recess to consult with General Counsel Patterson.

Chairman Graves called the meeting back to order to discuss and vote on Regular Agenda (Items 12 and 13).

Chairman Graves explained there was an appeal by Franklin L. Haney Co. for item 12 and stated Attorney Brittenum spoke of that earlier during the general statements from the public. He added that Commissioner Pohlman chaired that Committee and stated the policy and procedures only require him to report the decision.

Commissioner Pohlman advised that the Customer Appeals Committee (CAC) met on November 17, 2022 to hear the appeal of Franklin L. Haney Co. seeking re-scoring and reconsideration of its proposal submitted to MLGW in response to an RFP for Contract #12321 (Power Supply Renewable and Other Options). He explained that the members of the Committee, including Commissioner Pohlman serving as Chairman, and all in attendance heard the processes and procedures at length for clarification. Mr. Brittenum, representing the Franklin L. Haney Co., initially addressed the Committee and then turned it over to Frank Haney, Jr. and Bill McCollum, President of FLH Co. They proceeded to state their case as to why their proposal was not properly evaluated and graded. Comm. Pohlman explained there was a lot of discussion and after hearing from both Franklin L. Haney Co. and TVA, as well as additional MLGW staff, consultants, and representatives, the Committee voted unanimously (3-0) to deny the appeal. Comm. Pohlman turned the floor back over to Chairman Graves to proceed.

Chairman Graves explained the Commissioners have had a lot of time for discussion and questions, and this is the final moment to discuss and ask their questions for clarification purposes, as well as comment. He reminded the Commissioners that GDS has joined the meeting via Zoom and are available for detailed questions and clarification, as well as the Senior Leadership in attendance.

Commissioner Person expressed this is a very important and complicated situation for rate payers, the community, and the city as a whole. He discussed that TVA has been a partner of MLGW's for approximately 80 years. He discussed this is very serious and not an easy decision and a lot to take into consideration.

Commissioner Pesce wanted to make clear that whatever the decision is, "we are not putting money in your pockets or taking money from your pockets". She spoke of where the savings would go. Interim Chief Utility Officer Alonzo Weaver asked Dana Jeanes to explain where the savings would go. He explained that if the TVA LTA were to be approved, it would be approximately a 3.1% savings per household.

Vice-Chair Leon Dickson wanted to assure the public he is not taking this decision lightly and is strongly considering the children, grandchildren, and all future citizens.

Commissioner Pohlman commended the public speakers that are passionate about solar, clean water, and wanting more renewable energy options. He acknowledged the growth and strength where our country stands as far as development, adding we continue to grow. He expressed his concern about batteries and is concerned what it may do to the environment and our area being able to serve all the new developments. He indicated he would never sign a 20-year agreement with anyone in his personal business.

Chairman Graves stated he echoes Commissioner Pohlman's same concerns, adding this is most likely the most important decision this board will make, including previous boards. He added that the job of the Commissioners is to represent the citizens and to make sure the business is being run correctly, adding this is the commitment they make

when appointed by the Mayor. He confirmed this is very complicated and was brought to the board in September. He added over these last 90 days, a lot of stake holders have "weighed in" over that period at board meetings, open public meetings, business leaders, and municipal mayors and the board has listened to them. He had a couple of questions: 1) If the 20-year agreement passes, how much time would MLGW have to give notice to TVA. Ms. Patterson responded under the provisions of the 20-year agreement the notice would be 20 years and under the current contract, there is a 5-year notice. He stated he heard loud and clear from the citizens that renewable energy is very important. He did say that long-term may not be unusual if somebody is investing a lot of money into the project. He acknowledged that a supplier is not going to invest hundreds of millions of dollars without a long-term contract. He added that the long-term agreement is not something he is ready to commit to in the betterment of the business and the customers.

REGULAR AGENDA

(Items 12 and 13)

12) Resolution awarding Contract No. 12321. Power Supply – Renewable and Other Options to Tennessee Valley Authority. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

RESULT:	FAILED [0 TO 5] – Item 12
MOVER:	Michael Pohlman, Board Member
SECONDER:	Leon Dickson, Vice Chair
NAYS:	Pohlman, Pesce, Person, Graves, Dickson

13) Resolution approving the rejection of all proposals for Contract No. 12317, Power Supply - Transmission and the rejection of all proposals for Contract No. 12320, Power Supply - Thermal. Furthermore, the Manager of Procurement and Contracts recommends the rejection of all proposals received for Contract No. 12321 - Renewables and Other, except for the Tennessee Valley Authority Long-Term Partnership proposal. (Randy Orsby)

RESULT:	APPROVED [4 TO 1] – Item 13
MOVER:	Cheryl Pesce, Board Member
SECONDER:	Michael Pohlman, Board Member
AYES:	Michael Pohlman, Cheryl Pesce, Mitch Graves, Leon Dickson
NAYS:	Carl Person

COMMITTEE REPORTS:

Supplier Diversity - Tamara Pate reported on the third quarter of 2022. She stated progress is being made. She gave the breakdown for MBE, WBE, and locally owned small businesses equating to a total diversity spend of 43% (\$72,462,376.67). She highlighted the sheltered market impact and reported that there are 34 total firms beginning on January 1, 2022 through September 30, 2022 in the minority business enterprises category. For women owned businesses, MLGW has spent over \$5 million

accounting for 6.98% of total SD spend. Ms. Pate also reported the local small business enterprises spend at 65.62% and covered the multi-class spend. She recapped the various events that were held in the spring and summer of 2022.

PRESIDENT'S BRIEFING (Continued):

2. Third Quarter, 2022 - Corporate Scorecard - Daniel Hochstein introduced himself and informed the Board that Valerie McKinney is not able to be at the meeting today; therefore, he will be reporting the scorecard stats. He started his presentation by discussing safety measures and explained lost time incident rates and medical recordable incident rates exceed the targets that were set. He added that we are trending to meet the target this year for preventable vehicular collision rate.

Average speed to answer target was set at 9 minutes, with the benchmark being set at 3.5 minutes. The target is not being met. Commissioner Person asked what is being done to improve this. Timothy Davis approached the podium and explained he has addressed some technical issues and has reorganized some of the management positions with additional training. In addition, 100 additional phone lines have been added due to the fact he is finding that the Memphis market tends to prefer waiting on the phone compared to some of the electronic options that are available. Commissioner Pesce discussed an experience she had and asked about the improvement plan for the circumstance. Mr. Davis added that approximately 100 employees will be added to the phone lines to assist customers and explained there is a contract that will come to the board early January.

In addition, Mr. Hochstein reported on percentage of appointments met, which did not meet the target. The JD Power score has a target of 750 with a benchmark of 760. Final JD Power score for the year will be released December 13. Total outage minutes reported today does not include the February storm and is tracked separately as a major event. He reported we have exceeded the target.

He discussed the five-year goal. He explained the financial stats and explained that we continue to be positive in the water and gas divisions. The electric division did not meet the goal and ended the quarter down roughly \$3.5 million. Mr. Hochstein explained that there are no benchmark numbers for the percentage of capital spend in any of the three divisions; however, we do not expect to meet the target this year. He stated that supplier diversity is doing very well and referenced Ms. Pate's report given earlier. Employee turnover is reported to be comparable to previous years. Lastly, the measure for dollars saved through improved efficiency measures is trending with a target for the end of year of \$18.6M.

3. Third Quarter, 2022 Healthcare Report - Marcus Tate summarized the annual plan cost from 2019 through 2022 detailing the "Monthly PEPM" column. Mr. Tate reviewed the prescription claims and the variations from year to year. He informed the board that medical and prescription RFPs will be released in the first quarter of 2023. In addition, Mr. Tate discussed the medical and prescription claim experience which demonstrates from year-to-year the percentage of active, retiree non-Medicare, retiree Medicare, and cobra plus fees for comparison. Mr. Tate shared a slide showing paid medical claims for each month from 2019 through 2022. Lastly, he shared that MLGW

has not experienced premium increases over the last several years and does not anticipate an increase next year.

4. Other - Alonzo Weaver thanked the Board for their consideration and deliberations in the power supply decision. He also recognized the following for their work: GDS, the staff, Siemens for the IRP, the PSAT Committee, attendance at public forums, and the citizens for their comments over the last few months. He acknowledge MISO and TVA for their cooperation during the analysis. He also complimented the Supplier Diversity team for their accomplishments and hard work. He recognized Ms. Jozelle Booker for the development of the program. Finally, he made the board aware that MLGW is experiencing some challenges with the outage reporting system, adding that the vendor is experiencing a nation-wide outage; therefore, this has caused increased phone calls to the CCC, but they are working hard to assist the customers. Mr. Jeanes reported that the City Council approved the budget for 2023.

Prior to adjournment, Chairman Graves encouraged Timothy Davis to continue his hard and remain focused on his plan, stating he wants to keep Mr. Davis because he is doing good work. He also acknowledge the presence of Mr. Herman Morris, Past President of MLGW.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:19 a.m.

(See Minute File No. 1477.)

Approved Without Interlineation

Chairman

These Minutes Compiled by Undersigned and
are Correct

Secretary-Treasurer