



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Wednesday, September 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 asked everyone to bow their heads and share a moment of silence for Eliza Fletcher.

PLEDGE OF ALLEGIANCE:

Chairman Graves

The Pledge of Allegiance was recited.

ROLL CALL:

Dana Jeanes

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

APPROVALS:

Motion To: Approve Minutes from the Meetings of August 17, 2022 and September 1, 2022.

RESULT: ADOPTED [UNANIMOUS]
MOVER: Leon Dickson, Vice Chair
SECONDER: Cheryl Pesce, Board Member
AYES: Cheryl Pesce, Mitch Graves, Leon Dickson
ABSENT: Carl Person
Michael Pohlman attended remotely and unable to vote.

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated August 23, 2022, items 7 through 16 and Item 29, with same night minutes on Items 10 and 29. (See Minute File No. 1473.)

PRESENTATIONS:

2021 MLGW Student Art Contest "Captain Mercaptan" - Gale Carson

Ms. Carson stated there were 117 total entries. The partners in the contest included Shelby County Schools and the Children's Museum of Memphis. She explained the judging criteria and pointed out that the judges were a non-MLGW panel of judges. She shared the names of the winners and told that they will receive an imprinted glass award, MLGW certificate, and a \$125 gift card to Michael's.

The winners were:

K-2nd Grade Category - Rudved Deshmukh, 2nd Grade, Bailey Station Elementary (present to accept his award).

3rd-5th Grade Category - Sreshath Darapaneni, 5th Grade, Grahamwood Elementary

6th-8th Grade Category - Akshay Tammineni, 8th Grade, West Collierville Middle School

9th-12th Grade Category - Olivia Miller, 12th Grade, Collierville High School (art teacher and principal accepted her award; she has gone to college)

Photos were taken and Rudved Deshmukh said a few words about what inspired him to enter the contest. Ms. Carson thanked everyone for their participation.

GENERAL STATEMENTS FROM THE PUBLIC:

1) Chairman Graves summarized three e-mails received through Corporate Communications. They were received from Anna Cordona, David Kay, and Deanna Watson. They all encouraged the Commissioners to consider short-term contracts and more renewable energy.

2) Ester M. Patrick, 1410 Humber, stated TVA has made a positive difference in her life and many seniors she knows have participated in the Home Uplift Program, which she added is a very simple process. She named several TVA staff that have helped her community and added they kept their promise. She stated that TVA knows what they do, but the City doesn't know what they do. She stated she continues to pass out flyers to others to let them know about the Home Uplift Program. She stated TVA is not just an energy company, they care about the people.

3) Ted Townsend, 97 Monroe Ave., stated he is here as the current Chief Economic Development Officer and Incoming President/CEO to the Memphis Chamber. He stated the Chamber Board of Directors has not taken a position of this item. He wanted to share some context related to this item. He discussed a survey over a five-year period and TVA's investment in 21 economic development programs, including 9 headquarters. The jobs they represent are over 22,000 (new, retained, and construction jobs). He added that TVA has gone to great lengths to invest in Shelby County and most notably last year landing the Ford Motor Co. through economic development. He noted that without TVA they would not have landed that business which is major for economic growth.

4) Kimberly Owens Pearson, 1110 Star Line Rd., addressed the Board regarding MLGW's decision to recommend TVA as the preferred power supplier. She is asking for more time for the public to comment on the power supply and is concerned that 30 days is not enough time to go through hundreds of pages of bids. She is asking the Board's

decision to be transparent. She named several reasons she doesn't believe that TVA has not been a partner to the community.

5) Anna Cordona (see number 1 above) did not speak.

6) Pearl Walker, 5378 Loch Lamond Rd., stated she is not as prepared as she usually is because her power went out yesterday. She introduced herself as the Environmental and Justice Chair for the NAACP Memphis Chapter. She discussed the "Memphis has the Power" organization and their work. She also noted their opposition to the trucks that are hauling and dumping coal ash. She stated that a 20-year contract is too long with technology constantly changing and feels it would bind MLGW to TVA forever. She added that the Board has the power to make this a better deal and should negotiate. She stated TVA has not been a good partner. She also discussed the benefits available for tax credits and the power provider should be working with MLGW to take advantage of those opportunities. She noted that the NAACP has done a lot to fight for rights of the citizens.

7) Sarah Houston, 200 Wagner Place, stated she is speaking for herself personally and is a student at University of Memphis. She discussed a program she is involved in at the University which shows how the earth's systems are changing. She discussed a spike around 1950 and 1970. She shared her concerns related to the long-term contract with TVA. She wants to see a true commitment to renewable energy which can offset these different scenarios that she is seeing in the study. She is asking for more than 30-days to review the bids because there is a lot of material to go through. She would like to see the home weatherization program expanded.

8) Yolanda Spinks, *ADDRESS REMOVED^{AT CUSTOMER REQUEST} addressed the Board as a MLGW customer concerned about the decision the Commissioners are entrusted to make. She stated she is not a utility expert and wants to speak for her family. She stated TVA has a track record for not being a good partner especially in black and brown communities. She expressed concern regarding the coal ash being moved and the plan to haul 240 truckloads daily through South Memphis and added that TVA has been a bad community partner under the existing contract.

9) Rev. Gordon Meyers, 11167 Orgill Cove, Arlington, TN stated that justice is a word that we sometimes use liberally. Rev. Meyers spoke of creation and respect. He stated that some communities have become sacrifice zones leading to disease, death and medical illnesses. He discussed environmental racism and communities that have suffered more than their share. He stated everyone should be encouraged to speak up to protect themselves and the environment.

10) Ward Archer, 335 Kenilworth, President of Board of Protect Our Aquifer, a local non-profit organization, addressed the Board. He stated he is not opposed to working

with TVA. He stated TVA has done a lot of great things; however, they have endangered the aquifer which is not necessary. He is opposed to the term of the contract and doesn't see it as a 20-year contract due to the auto renewals every year. He stated if the BOC approves this contract, it will go to at least 2042. He asked for more time for the public to review the bids and data.

11) Kalemu Taullbdlin, 3293 Southern #4, addressed the Board as a mother, citizen, and MLGW rate payer. She stated there is a need for more public input and people affected need to be heard. She added that TVA is seeking to build more pipelines and MLGW should leverage this moment to stop this gas methane project. She wants more renewable energy and not carbon-free energy. In addition, she wants to see more assistance provided to poor people that are struggling to pay their utility bills. She stated two important points were made in last week's meeting; can TVA commit to not raising fuel cost adjustments over the term of the contract? In addition, she discussed the cost of most recent utility bills. She stated the \$32 savings will be eliminated by the fuel cost adjustments. She noted that the short-list bidders revised their bids drastically, but TVA didn't and is asking for the unbiased truth as to why. She is also asking the Board to vote for more renewable energy.

12) Vickie Terry, 7900 Winchester Hills, stated she is here representing the NAACP Memphis branch. Her reason for her attendance today is to state that the NAACP Memphis branch has not taken a stance on this TVA/MLGW issue. It has not been brought to their Executive Board. She added that the Executive Board, the NAACP President, or one of the other Vice Presidents will be allowed to speak on their stance once it is decided. She followed by saying from a personal stance, not on behalf of the NAACP, she has worked with TVA and appreciates what they have done and respects the partnership she has with TVA. In closing, she encouraged people to do their own research.

PRESIDENT'S BRIEFING:

1. TVA Presentation on Long-Term Power Proposal - Jeff Lyash, President & CEO

Chairman Graves introduced Mr. Jeff Lyash and noted that he has heard citizens' concerns this morning and hopeful he will address some of their concerns. Mr. Lyash informed the Board to ask questions as he goes through his presentation. He stated he doesn't disagree with some of the concerns he heard this morning and specifically energy burden and clean energy.

He expressed his appreciation for the long relationship between TVA and MLGW. He discussed TVA's mission and the primary focus which is energy, environmental stewardship, and economic development. He pointed out this has been TVA's mission for 90 years and remains their mission. He believes over the next 20-years this relationship will be even stronger than before. He stated TVA focuses on the fact that public power exists to serve and benefit the public good at the local levels. Their focus is not on shareholders or profit.

Mr. Lyash share the scale of TVA because he believes it's important. TVA is the 3rd largest electricity generator in the nation, the 3rd largest nuclear fleet in the US, providing over 40% of TVA's energy, one of the nation's largest transmission systems, and today TVA is the leader in the southeast carbon reduction. He noted TVA has reduced carbon more than any other utility company in the country and remain committed to that. He added this is important because it gives one of the most diverse generation energy portfolios in the nation. He stated that TVA's prices are lower than 80% of other utilities in the country and industrial rates are lower than 95% of other utilities in the country. He added this was certainly key to the "Blue Oval" city discussions. He added that TVA has one of the most reliable energy systems and haven't interrupted power in 21-years and they continue to invest in the transmission system. He added that the TVA system is resilient and pointed out some of the recent events in Texas, MISO and Southern California. He added that TVA builds the system to be resilient and remain reliable as well as remain committed to a clean energy system. The plan is to reduce carbon reduction by 70% by 2030, 80% by 2035, and net-zero aspiration by 2050. He stated this can be done without raising the price and TVA is focused on accomplishing this. He discussed TVA's expansion of solar energy over the last few months and the RFP that is currently active. He elaborated on climate change and what TVA is investing in to reduce the opportunity for these changes. He stated he wanted to be clear that TVA is a renewable energy advocate.

Mr. Lyash spoke of the 89-year partnership that has continued with Memphis and Shelby County, the fact it hasn't stopped, and the partnership today is stronger than it was 3 years ago. He expects the partnership to grow whether it be a 5-year or 20-year contract. He added that economic development is essential for TVA, and they were thrilled to help land "Blue Oval City". He shared a slide that demonstrated TVA's commitment to Memphis/Shelby County through various programs and investments. He pointed out that TVA has some of the lowest prices in the country, and MLGW does a very good job at managing their business, to help toward the energy burden. The "Home Energy Uplift" program has been a part of the partnership and TVA plans to invest \$100 million over the next ten years to help reduce the energy burden.

Mr. Lyash summarized the benefits of the Long-Term Agreement (LTA) and explained the partnership agreement is based on alignment of long-term interests. He covered the benefits of the LTA agreement and noted that 146 of 153 LPCs have opted to sign the LTA. He explained that their customers want stable base rates, flexibility to build some of their own generation, more involvement in the planning process and transparency. He discussed meetings with various companies and discovered on a small scale solar can be very expensive and municipalities came to realize that the land can become an issue. Therefore, the program was revised to have more flexibility, more affordable, and reliable renewable opportunities. He explained when planning for a reliable, clean, and affordable system, it takes planning for 20, 30, 40 years as well as making investments to achieve these goals. In turn, this leads to long term commitment from the customer.

He shared that TVA offers the "Green Invest" program. As an example, Knoxville Utilities Board (KUB) partnered with Vanderbilt University and NES for solar energy. The point he was making is flexibility that is designed for the customer's needs and preferences.

Mr. Lyash discussed the foundations of partnership which he believes is affordability, resiliency, reliability, and sustainability. He added that TVA tries to add a maximum balance in these areas at the lowest risk.

In closing, Mr. Lyash discussed the long-term partnership MLGW and TVA have had for 80 plus years. He noted that TVA has one of the cleanest energy systems in the country, adding the plan to decarbonize is in the works and the goals will be met as discussed in today's meeting. He discussed the cost savings associated with the 20-year agreement and opened the floor entertaining questions from the Commissioners.

Vice-Chair Leon Dickson pointed out that Mr. Lyash has heard quite a few comments from one spectrum to the other related to how TVA operates. He asked what platforms are best for residents to trust the partnership. Mr. Lyash stated that TVA could do more, and he recognized some of these when he came on-board and in particular in the area of "communication". He stated that TVA has tried to establish a better line of communication. He added that two-years ago TVA established a regional organization and Mark Yates, is responsible for looking into what Memphis needs and leverage all of TVA's resources.

Commissioner Cheryl Pesce asked Mr. Lynch to respectfully address the coal ash trucks which were commented on by several members of the public today. Secondly, she asked about the "Home Uplift Program" and suggested 680 homes is not something we should be "raising a flag to" because we are serving over 400,000 customers. She suggested the program consider zip codes, those paying the highest in utilities, and indigent areas. Mr. Lyash explained that the Allen plant was built by MLGW. The facility was not operated by TVA and TVA purchased only the powerhouse itself. He explained that the ash ponds are owned by MLGW, the City and Shelby County. He added that TVA is working with those partners and has taken accountability for removing the coal ash, mitigate any ground water contamination, and to be able to demolish/deconstruct the powerhouse and re-purpose the property to benefit the community. He explained that they evaluated many locations to move the coal ash and all that was considered when making the decision. Commissioner Pesce asked about a timeline to complete the removal. Mr. Lyash responded by saying approximately six years but pointed out the goal is not to remove it quickly, but more importantly to remove it safely and to have less impact on the community and the environment. He added that the Home Uplift Program was started as a pilot. He indicated it doesn't just lower energy bills; customers gain positive health impacts from the program. He agreed that he would like to see this double, triple, or even more. He added that TVA is piloting a "renters' program" and initiating a "school uplift program".

Chairman Graves had several questions from the Memphis City Council's attorney, Allan Wade. (A copy of these questions will be filed in the vault.) Mr. Lyash responded to each question. Chairman Graves asked which customers have not signed the LTP agreement. Mr. Lyash listed them and explained he believes two of the six are close to deciding. Chairman Graves also asked Mr. Lyash how he sees the \$100 million dollar commitment being spent. He responded that TVA wants a partnership with MLGW and the communities to establish where it would be most beneficial. Chairman Graves pointed out that there were quite a few public comments concerned about a 20-year agreement. He asked since MLGW is their largest customer, is there some way this could be negotiated between 5 and 20 years, noting he isn't trying to negotiate and tread on the "contract process". Mr. Lyash responded by saying that TVA must

maintain a position that all customers are important regardless of the size of the company. He elaborated on the details and pointed out it is a principle included in all contracts and not taken lightly. Addressing the 20-year question he explained that TVA is building assets and the 20-year agreement is a balance that helps them make important business decisions and allows TVA to take on the right amount of debt.

Commissioner Pesce asked about the preparation of the grid related to electric vehicles and if TVA would be willing to partner in the rebranding of MLGW. He noted that TVA has joined utility companies in public education, advertising, and set a tone that "TVA is at MLGW's shoulder". He says technology of electric vehicles is developing rapidly and shared projections and estimates of the savings when people convert to electric vehicle; however, he emphasized it is going to be a transition. He noted that TVA is working with the state of Tennessee, putting charging stations on all major highways every 50 miles over the next several years.

Commissioner Pohlman joined the meeting remotely and sent a text asking how much money is provided to our community rate payers today regarding economic development and under the new agreement what would that look like. Mr. Lyash shared a slide to demonstrate the current benefits with TVA, additional value of staying with TVA under any contract, and additional benefits based on the LTA. He summarized by saying there are some things where dollars and cents cannot be identified, and the value of the partnership is priceless.

Chairman Graves thanked Mr. Lyash for his presentation adding it has been very educational. Mr. Lyash added that TVA is open to hear any ideas MLGW may have and stated he has a lot of respect for the MLGW team. He stated the process MLGW has undergone was well done and TVA is here to support MLGW in whatever decision they may make.

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

(President's Briefing Continued on Page 102)

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 [3 TO 0]
MOVER:	Leon Dickson, Vice Chair
SECONDER:	Cheryl Pesce, Board Member
AYES:	Cheryl Pesce, Mitch Graves, Leon Dickson
REMOTE:	Michael Pohlman
ABSENT:	Carl Person
	<i>Michael Pohlman attended remotely and unable to vote</i>

CHIEF CUSTOMER OFFICER

(None)

CHIEF INFORMATION OFFICER

1. Resolution approving Change No. 6 to Contract No. 11462, Electronic Board Agenda Solution with Granicus (formerly Accela, Incorporated), in the funded amount of \$39,866.19. (This change is to renew the current contract for annual software maintenance, fees, and support services for the period covering November 1, 2022 through October 31, 2023) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
2. Resolution approving Change No. 7 to Contract No. 11752, Software License and Services Agreement with HansenCIS to renew the current contract in the funded amount of \$169,719.91. (This change is to renew the current contract for annual maintenance, license and support services for the period covering January 1, 2023 through December 31, 2025) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

CHIEF PEOPLE OFFICER

3. Resolution approving a Planner Coordinator position and an Engineer 4 position. (J. T. Young/Jackie Jones)

COMMUNITY & EXTERNAL AFFAIRS

(None)

DESIGN CONSTRUCTION & DELIVERY

(None)

ENGINEERING & OPERATIONS

4. Resolution approving Change No. 4 to Contract No. 11566, Replacement of Distributed Process Control (DPC) System at all MLGW Pumping Stations with Allen & Hoshall. (This change is to extend the current contract end date to December 31, 2024, with no increase in the contract value) (Randy Orsby)
5. Resolution awarding a purchase order to LightSpeed Technologies, Inc., for multiprotocol label switching (MPLS) network expansion equipment in the amount of \$469,769.00 (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT

(None)

SVP, CFO & CAO, FINANCE

6. Resolution approving changing the Bank name from Tri-State to Liberty Bank Memphis for the Claims Settlement Account and the MLGW Freight Account. Also, to remove Eddie Harris from the MLGW Freight Account due to his retirement and add Lamasha Holmes to the MLGW Freight Account as an authorized signer. (Dana Jeanes)

RESULT: APPROVED [3 TO 0] – HOLD ITEM NO. 7
MOVER: Leon Dickson, Vice Chair
SECONDER: Cheryl Pearce, Board Member
AYES: Cheryl Pearce, Mitch Graves, Leon Dickson
REMOTE: Michael Pohlman
ABSENT: Carl Person
Michael Pohlman attended remotely and unable to vote

7. Resolution to approve the addition of Street Cut Permit Fees to the MLGW Schedule of Charges effective 10/1/22 which allows MLGW to pass through these costs to customer jobs that require street cuts. This is pursuant to the MLGW Board action on 4/20/2022 and the Memphis City Council action on 5/24/2022 related to Street Cut Permit Fees charged to MLGW by the City of Memphis. This resolution was held from the 7/6/22 and 7/20/22 meetings. (Dana Jeanes)
8. Resolution approving plans to issue tax-exempt obligations in an original aggregated principal amount of not to exceed \$50,000,000. (The Division intends to use all or a portion of the proceeds of the obligations to reimburse the Division for costs incurred prior to the issuance of the obligations. Under federal tax law, in order for the proceeds of tax-exempt obligations to be used to reimburse the Division for prior expenditures, the Division and the City must declare their official intent to reimburse the Division for prior expenditures with proceeds of the obligations. This resolution will constitute such declaration of official intent and will allow the Division to utilize all or a portion of the proceeds from the obligations to reimburse the Division for capital expenditures incurred on or after the date that is sixty days prior to the approval date of this Resolution by the City.) (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)
9. Resolution approving revisions to the Investment Policy Statement for each of the Memphis Light, Gas & Water Retirement and Pension Fund and Other Post-Employment Benefits Trust. (Dana Jeanes)

SVP, CHIEF OPERATING OFFICER
(None)

SHARED SERVICES

10. Resolution awarding Contract No. 12371, System Furniture to Office Interiors in the funded amount of \$1,500,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
11. Resolution approving Change No. 2 to Contract No. 12281, Hickory Hill Service Center Repaving with A & B Construction Company, Inc., to change the current contract in the funded amount of \$218,634.55. (The contract term will remain through January 14, 2023) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP & GENERAL COUNSEL

12. Resolution to approve the law firm of Stephanie Green Cole to be employed on an as needed basis at the hourly rates not exceeding \$300.00 as Partner for legal services

rendered concerning legal matters uniquely related to the utility industry. (Cheryl Patterson) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT'S BRIEFING (Continued):

3. Medical Report (January through June, 2022) - Marcus Tate *(Due to time constraints with today's meeting, the Medical Report will be given at a future board meeting)*

4. Other - J. T. Young

President Young reminded everyone when considering the power supply recommendation, that the updated pricing did not include the gas projections or gas prices that may increase in the future.

President Young gave accolades to Gale Carson, Nick Newman and their teams for work in assisting Jackson, MS with the water crisis.

President Young also asked everyone to remember the family of Roland Hayes in their thoughts and prayers. Mr. Hayes was an employee in the Customer Service Dept. at MLGW.

COMMITTEE REPORTS:

(None)


ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:34 a.m.

(See minute file number 1474.)

Approved Without Interlineation

Chairman

These Minutes Compiled by Undersigned and
are Correct

Secretary-Treasurer