



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Wednesday, September 21, 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.

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	Remote	

APPROVALS:

Motion To: Approve Minutes from the Meeting of September 7, 2022.

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

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

(None) - The September 7, 2022 Items will go before City Council on Tuesday, September 27, 2022.

PRESENTATIONS:

Employee Recognition - Margie Borrum-Smith - (Employees Recognized: David Wright and Vidale Cothran)

Ms. Borrum-Smith explained that MLGW received a grant from TDEC to provide weatherization and energy efficiency repairs to qualified income homeowners in MLGW's service territory. She pointed out that there were very strict guidelines and deadlines. She recognized Mr. Wright and Mr. Cothran stating they did an outstanding job, adding that they flexed their work schedules so they could meet the customers' schedules and to meet the deadlines. She added they accomplished spending all the money and over 100 homeowners were served. She stated that a survey was done,

and they received 4.6 out of 5.0 and will continue to work to improve. She informed the board that in August TDEC conducted an audit and no deficiencies were identified and MLGW was commended for their accuracy and record keeping. The honorees received a token of thanks and appreciation for a job well done.

GENERAL STATEMENTS FROM THE PUBLIC:

Chairman Graves read through the public comments received via e-mail to Corporate Communications:

Linda Hilton (no address provided on the e-mail) sent in a claim related question regarding sidewalk work. Chairman Graves stated that he understands that the Claims Dept. is working on this.

Amanda Garcia, Southern Environmental Law Center sent in an e-mail requesting extra time to speak at a Board meeting. Chairman Graves stated that currently there are no plans to schedule presentations from outside entities. He added that the Board welcomes presentations, documents, or other forms of written communication to be sent to the Commissioners and they will be happy to review them.

1) Kathy Temple, 1536 Tanner St., stated she is representing the Douglas community. She's asking for more time for public in-put. She stated she is opposed to the Board signing a never-ending contract with TVA. She asked the Commissioners if they would sign a similar contract on a personal level. She discussed the high energy burden and sees this as an opportunity to reduce the energy burden in the communities. She is also requesting more clean energy options.

2) Frank Johnson, 1473 Compton Ave., resides in a community near the Defense Depot. He stated his family has been impacted directly by the pollution and he is here requesting that the BOC not sign the long-term agreement as he sees it as a never-ending contract. He stated that MLGW is one of TVA's largest customers, but he sees no other benefits compared to other TVA customers. He is requesting that the methane gas build out be stopped. He also stated MLGW should be negotiating for better rates in the summer and winter.

3) Carl Richards, 434 Meadvale St., introduced himself as a board member of Save the Aquifer and as the Chair on the local Sierra Club board in Memphis. He stated there is a dramatic difference in the contract offered by TVA compared to the current contract. He discussed some of his concerns and is opposed to the TVA long-term agreement and suggested that MLGW should be seeking other clean energy. He believes TVA is creating a never-ending contract and no real benefit to customers. Chairman Graves asked Mr. Richards what he recommends, and he responded by saying MLGW should stay with the 5-year contract. He stated with the volatility of the market, there is no reason to hurry this contract.

4) Brandon Price, 6571 Stockport Cove, stated he is the Co-Chair of the Democratic Socialist of America for Memphis and involved in an organization to save Section 9. He is opposed to the long-term agreement with TVA and doesn't feel it is right for Memphis. He sees it as a profit motivation. He stated there is only one Engineer on this Board in making this decision. He feels as though it is a human rights violation and stated that

industrial customers don't pay the same that many people of color must pay. He also discussed his concerns with the environmental dangers.

5) Pamela Moses, 2083 Jackson Ave., is attending today stating she represents the Hollywood Community Association and other organizations for the well-being of the community. She stated MLGW has taken up residence in her community and bought properties for pennies. She stated the citizens deserve better and do not need a long-term contract. She stated that some of the Board members have conflicts of interest, but she expects the board will make the right decision. She stated she is having a hard time paying her \$400 utility bill and cannot get employees on the phone to make payment arrangements. She wants to see infrastructure change and monies going to that. Chairman Graves offered to have someone help her with her bill while she is here today.

6) Angela Johnson, 492 Charter Ave., addressed the Board asking why there's a rush on the TVA contract. She stated customers should have a longer opportunity to engage in the decision-making as rate payers of MLGW. She expressed that TVA has not been a good partner or respectful of the pollution issue in handling the Allen plant. Chairman Graves asked her to comment on what her suggestion would be to the Board. She responded by saying the Board should wait, allow more time. She also expressed difficulty in getting to a Board meeting at 8:30 a.m. in the morning. She had to make arrangements to take off work to attend. She also expressed concerns for citizens that are not able to pay the current rates and believes TVA could be a better partner in addressing this issue. In addition, she doesn't want to see a long-term contract with TVA.

7) Dennis Lynch, 347 N. McLean, addressed the Board adding that he has spoken a number of times at the Board meetings. He expressed that he is opposed to the 20-year no-ending contract and added that no business would do that. He added that the 5-year contract could continue for as long as MLGW and TVA want it to. He stressed that due to inflation and the status of the economy this is not the time to make such a significant business decision. He pointed out Biden's inflation reduction act and its advantages. He stated he served on the OIAT Committee, and he was allowed input on the IRP, but hasn't been allowed input on the RFP. He listed several things he would like to be publicized and stated he is challenging the numbers. Chairman Graves informed Mr. Lynch that there is a lot of information on the MLGW website, and he suggested he review that information and do the math before he comes back to another meeting.

8) Chelsea Glass, 389 Little Oak Lane, Collierville, stated her reason for being here is to speak for her child that is with her today. She is opposed to the long-term agreement with TVA and is concerned about the future for her child. She is asking the board for more time and more consideration. She is also asking for more accessibility.

9) Marquita Bradshaw, 4371 Fizer Cove, introduced herself as the Executive Director of Sowing Justice. She is concerned about her great-great grandchildren and their safety and health in our communities. She is concerned that this contract feels one-sided and MLGW hasn't pushed for the energy opportunities. She also discussed the funds available through President Biden's new initiative. She added that a 3% savings is not

enough for rate reductions. She is concerned about the coal ash and its' effects on the community and asking the Board to consider renewable and clean energy.

PRESIDENT'S BRIEFING:

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

(President's Briefing Continued on Page 109)

1. Drought Management Plan - Quinton Clark informed the Board of the requirements from the Tennessee Department of Environment and Conservation (TDEC) and the fact that MLGW must develop a drought management plan as stand-alone documents, separate from the MLGW Emergency Operations Plan (EOP). He stated the plan is reviewed every three years and MLGW first developed the plan in 2016 and in 2019 updated the plan. He explained that this plan defines actions to be taken if MLGW experiences any period in which an adequate supply of safe, abundant water is unavailable. The plan does not cover the cities of Millington, Bartlett, Collierville, and Germantown who each own and operate their own water systems. He explained that MLGW has 10 water treatment plants and 140 wells. The plants can produce up to 258 million gallons of treated water per day and gave the storage capacity numbers, adding MLGW has about 254,000 water customers. He explained the water sales statistics is how the demands are established in the plan, including data used during base peak period and off-peak period. He explained that there are four phases for drought emergencies. Phase 1 is the Drought Alert Phase; Phase 2 is the Voluntary Reduction Phase; Phase 3 is the Mandatory Reduction Phase; and Phase 4 is the Emergency Water Management Phase. He added that the goal of the DMP is to maintain the supply of water encompassing all of MLGW's water service territory during severely decreasing water supply events (drought). In closing, he stated keeping MLGW's water supply at serviceable levels is critical in minimizing adverse effects on public health, fire safety, economic activity, as well as environmental resources.

Commissioner Pesce asked if MLGW has ever had to implement the plan to conserve water. Mr. Clark stated they have not and fortunately we have been able to reach out to commercial customers that have been able to accommodate instead. Chairman Graves brought up the freeze when MLGW's water was affected. Mr. Clark stated portions of the plan were used, but to keep in mind that at that time there were a lot of broken mains and fire protections. We were able to turn to our smart meters to assist with that.

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 [4 TO 0] – Items 1 through 5 and 9 through 12
MOVER:	Cheryl Pesce, Board Member
SECONDER:	Michael Pohlman, Board Member
AYES:	Michael Pohlman, Cheryl Pesce, Carl Person, Mitch Graves
REMOTE:	<i>Leon Dickson attended remotely and unable to vote.</i>

CHIEF CUSTOMER OFFICER

(None)

CHIEF INFORMATION OFFICER

1. Resolution approving Change No. 2 to Contract No. 12304 (Formerly Purchase Order #7015763), Veeam Backup and Replication Enterprise Plus Annual Production with Logicalis, Inc., in the funded amount of \$100,539.40. (This change is to renew annual maintenance for Veeam software support and maintenance services and to co-term Veeam license agreement 2521483 for the period covering November 13, 2022 through November 14, 2023.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

CHIEF PEOPLE OFFICER

2. Resolution approving Change No. 1 to Contract No. 12038, Group Term, Voluntary Life and Accidental Death and Dismemberment with UNUM Insurance Company in the estimated funded amount of \$8,460,000.00. (This change is to renew the current contract for the first and final renewal covering a 24-months period from January 1, 2023 through December 31, 2024.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving Change No. 1 to Contract No. 12037, Short- and Long-Term Disability with UNUM Insurance Company in the estimated funded amount of \$10,292,000.00. (This change is to renew the current contract for the first and final renewal covering a 24-months period from January 1, 2023 through December 31, 2024.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
4. Resolution approving Change No. 2 to Contract No. 12024, MLGW Employee Dental Plan with Cigna Health and Life Insurance Company in the funded amount of \$2,795,345.00. (This change is to renew the current contract for the second and final annual renewal covering the period January 1, 2023 through December 31, 2023.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

COMMUNITY & EXTERNAL AFFAIRS

(None)

DESIGN CONSTRUCTION & DELIVERY

(None)

ENGINEERING & OPERATIONS

5. Resolution approving the execution of Contract No. 12398 between Memphis Light, Gas and Water Division and Texas Gas Transmission, LLC, in the amount of \$47,000,000.00 approximately. (This contract will be for 201,225 MMBtu/day during the winter season and 52,558 MMBtu/day during the summer. This contract is an extension to our No-Notice Service transportation agreement and includes a Discount Letter. The contract term is for three years, effective November 1, 2023 and ending October 31, 2026.) (Nick Newman) (REQUIRES CITY COUNCIL APPROVAL)

RESULT:	APPROVED TO HOLD - [4 TO 0] – Items 6 through 8
MOVER:	Cheryl Pesce, Board Member
SECONDER:	Michael Pohlman, Board Member
AYES:	Michael Pohlman, Cheryl Pesce, Carl Person, Mitch Graves
REMOTE:	<i>Leon Dickson attended remotely and unable to vote.</i>

6. Resolution approving the MLGW's Drought Management Plan. The plan is a detailed account of how MLGW would address any situation created by an actual drought or circumstances that simulate a drought scenario. (Nick Newman) – **Held until October 5, 2022 Board Meeting**
7. Resolution awarding Contract No. 12387 (solicited under Contract No.12302), Substation Engineering Services (Asset Management) to Burns & McDonnell Engineering Company, Inc., in the funded not-to-exceed amount of \$300,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL) - **Held – Future Meeting Date to be Determined**
8. Resolution awarding Contract No. 12385 (solicited under Contract No.12302), Substation Engineering Services (Transmission) to Burns & McDonnell Engineering Company, Inc., in the funded not-to-exceed amount of \$300,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL) - **Held – Future Meeting Date to be Determined**
9. Resolution awarding Contract No. 12386 (solicited under Contract No.12302), Substation Engineering Services (Substation) to Allen & Hoshall, Inc., in the funded not-to-exceed amount of \$300,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
10. Resolution awarding Contract No. 12302, Substation Engineering Services (Protection) to Fisher & Arnold, Inc. in the funded not-to-exceed amount of \$300,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT

(None)

SVP, CFO & CAO, FINANCE

(None)

SVP, CHIEF OPERATING OFFICER

(None)

SHARED SERVICES

11. Resolution awarding a purchase order to Rush Truck Centers of Tennessee for the purchase of six-yard and ten-yard dump trucks in the amount of \$346,721.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

12. Resolution awarding Contract to Cooper Power Systems-Eaton for the purchase of network protectors for a sixty (60) month period in the amount of \$3,265,618.13. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP & GENERAL COUNSEL

(None)

PRESIDENT'S BRIEFING (Continued):

2. Corporate Scorecard - Valerie Overton McKinney reported that 9 of the 15 current measures are exceeding their targets, five are meeting and four are within about 5%. She reviewed the specifics of the safety measures. She had some of the July data available and made predictions on whether the measures would make or exceed the targets in the safety categories. She discussed the average speed of answer and pointed out that the Board is aware of the issues with this measure and performance. She informed the Board that the number has increased since the end of August to 28 minutes and 15 seconds, with a lot of work to do in this area. She explained that the data for "percent of appointments met" has an issue with the software update and that should be corrected soon.

She stated we have had a steep decline in the JD Power Score but appears to be an across-the-board issue in the industry nationwide in all categories.

Reliability is an area where we are trending high for the year. She added we will not make this measure for the year.

Chairman Graves suggested Valerie not spend time on the net income figures since Dana Jeanes updated the board at the last meeting.

She stated the employee turnover rate is somewhat unpredictable but will continue to watch it closely.

Lastly, she discussed dollars saved through improved efficiencies and noted there are still opportunities throughout the year to meet or get closer to this measure.

3. Third Quarter, 2022 Compliance Report - Allan Long - Chairman Graves asked that this report be postponed to a later board meeting due to time restraints at today's meeting.

4. Other - J. T. Young

President Young stated he had the pleasure of having lunch with MLGW's longest tenure employee, Mr. John Wineman, Transmission Engineer, going on 58 years with the company. President Young expressed his appreciation of Mr. Wineman's time and learned a lot of things from him. President Young thanked him for his service.

President Young shared that the Corporate Communications Department was declared the winner of the self-service category by the Annual Utility awards, sponsored by E source. Also, MLGW was recognized with two 2022 Telly Awards. He gave kudos and congratulated them for their hard work.

President Young also shared that Lashell Vaughn was recognized by the Memphis Business Journal for being recognized for women that lead in the Memphis community.

He added that MLGW had a great turnout of volunteers at the United Way Day of Caring and thanked the volunteers for that.

Lastly, he informed the board that MLGW had a 36" water main break that impacted a lot of downtown activities. He stated the MLGW crews did a phenomenal job and thanked the team that worked tirelessly on that.

COMMITTEE REPORTS:

Second Quarter, 2022 - Supplier Diversity Committee - Tamara Pate - Chairman
Graves asked that this report be postponed to a later board meeting due to time restraints at today's meeting.

ADJOURNMENT:

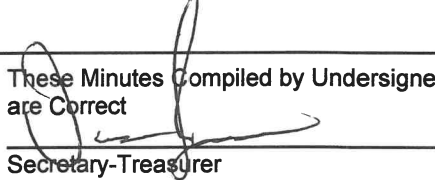
There being no further business, the meeting was adjourned at 9:47 a.m.

(See Minute File No. 1474.)

Approved Without Interlineation


Vice-Chairman

These Minutes Compiled by Undersigned and
are Correct


Secretary-Treasurer