



**Board of Light, Gas and Water Commissioners** 220 S. Main Street  
Memphis, TN 38103  
[www.mlgw.com](http://www.mlgw.com)

**Board Meeting**

~ Minutes ~

**Wednesday, March 15, 2023**

**8:30 AM**

**Board Room**

**CALL TO ORDER AND OPENING REMARKS:**

Vice Chairman Michael Pohlman

**PLEDGE OF ALLEGIANCE:**

Vice Chairman Michael Pohlman

**ROLL CALL:**

Rodney Cleek

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

**APPROVALS:**

Rodney Cleek

**Motion To:** Approve Minutes from the Meeting of February 15, 2023.

Chairman Leon Dickson joined the meeting remotely therefore he did not vote.

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

**CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:**

Rodney Cleek

Receipt of Certified Copies for the City Council Resolutions dated February 21, 2023, items 23 through 26 and Resolutions dated March 7, 2023, items 13 through 15. (See Minute File No. 1479 and 1480.)

**PRESENTATIONS:**

**United Way - Beverly Perkins, Tamara Nolan, Dr. Kenneth Robinson, President & CEO of the United Way of the Mid-South and Al Edwards, Director, Resource Development**

Beverly Perkins appeared before the Board to present the 2022 MLGW United Way Campaign check to the United Way. Beverly Perkins recognized and thanked Gale Jones Carson, all the SLC and Managers for designating Key People, Chantal Lairy, Past Chair, a huge thank you to all employees who served as Key People the 2022 Steering Committee, and to all employees who gave and those who listened, and Jasmine Boone 2023 United Way MLGW Campaign Chair. Beverly Perkins presented to Dr. Kenneth Robinson and Mr. Al Edwards a check in the amount of \$635,254.75. Dr. Robinson spoke thanking Beverly Perkins and Memphis Light Gas & Water. Dr. Robinson stated that the United Way together with the help of businesses like Memphis

Light, Gas & Water are building communities to make dreams happen. Dr. Robinson stated that 95% of our employees give to United Way. This is the 100th year of the United Way in the Mid-South.

### GENERAL STATEMENT(S) FROM THE PUBLIC:

Chet D. Kibble, Sr. - 3229 Lakeview Road, Memphis, TN - Director of the Memphis and Shelby County Lead Safe Collaborative. For over 20 years our community has expressed our concerns about lead poisoning. Shelby County Lead Safe Collaborative has tried multiple ways to get the kind of support needed to address these concerns including involving the EPA, EJ, TDEC and MLGW. Mr. Kibble wishes more people would take time to understand when EPA states that there is no safe level of lead poisoning. Mr. Kibble recited information the Memphis and Shelby County Lead Safe Collaborative had gathered. Mr. Kibble states that Memphis has a serious problem with lead in the water. He has been trying to get a meeting with the president to talk about solving the problem. Mr. Kibble states they have the solutions they just need someone to listen. Mr. Kibble left some of the information he referenced in his statement with President McGowen.

John Steven Fallon (Steve Fallon) - 1673 Red Barn Drive, Cordova, TN - Mr. Fallon states that his home is in the Countrywood Subdivision with about 75-100 streetlights. Mr. Fallon addressed the Board stating that about a year ago a 360-degree search light was installed in the streetlight that is 30 feet from his house which is unlike all the other streetlights which are an amber color. He has contacted Customer Service about it, and they told him that there was nothing that could be done about it because nobody wants less light. Mr. Fallon would like this streetlight to be changed back to an amber light like the other lights in the neighborhood.

President Doug McGowen responded to Mr. Fallon by thanking him for bringing that to our attention and informed him that we will be changing all streetlights from the amber color to LED color. The LED streetlights that have been selected are 3K. President McGowen stated that we would take a look at the streetlight near Mr. Fallon's address to ensure the correct light is installed.

Pearl Walker - 5378 Loch Lamond Road, Memphis, TN 38116 - Civic Engagement Coordinator for SACE (Southern Alliance for Clean Energy) which promotes clean, more affordable, and renewable energy options in the seven states in the southwest region of the United States. Ms. Walker thanked the Board for not signing the never-ending contract, and stated by not doing so keeps our options open. Ms. Walker states that a new report from Enervision which was commissioned by Mayor Strickland proves and recommends that MLGW should redo the RFP at some point in the future. SACE will additionally agree with the recommendation to redo the RFP at another time because the potential economic and environmental benefits are too important to let go of it completely. SACE recommends the RFP process be changed a bit from the last time. Ms. Walker states that in the meantime while MLGW is a TVA Customer there are some no regret actions that MLGW can take such as scouring the IRA (Inflation Reduction Act) for incentive opportunities and prioritizing reducing high energy burden through investments and energy efficiency.

**PRESIDENT'S BRIEFING:**

**Motion To:** 1. Review of Consent Agenda – President Douglas McGowen

(President's Briefing Continued on Page 25)

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.

Chairman Leon Dickson joined the meeting remotely therefore he did not vote.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Carl Person, Board Member
<b>SECONDER:</b>	Mitch Graves, Board Member
<b>AYES:</b>	Michael Pohlman, Cheryl Pesce, Carl Person, Mitch Graves

**CONSENT AGENDA**

***VP of CUSTOMER EXPERIENCE and ENERGY SERVICES***

(None)

***CHIEF INFORMATION OFFICER***

1. Resolution approving Change No. 2 to Contract No. 12181, AppManager Scheduler with Broadcom, Incorporated (formerly CA Technologies, Incorporated) to renew annual maintenance, licenses, and support services for existing software in the funded amount of \$402,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
2. Resolution approving Change No. 2 to Contract No. 12295, Oracle Maintenance and Support with Mythics, Incorporated to renew and change the current contract in the funded amount of \$11,157,239.72. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

***CHIEF PEOPLE OFFICER***

3. Resolution approving Change No. 2 to Contract No. 12348 (solicited under Contract No. 12294), Temporary Employment Services for Skilled Craftsman/Technical with Resource Management Group to ratify, expand the scope, and increase the current contract value in the funded amount of \$140,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)



**COMMUNITY & EXTERNAL AFFAIRS**

(None)

**DESIGN CONSTRUCTION & DELIVERY**

(None)

**ENGINEERING & OPERATIONS**

4. Resolution approving Change No. 2 to Contract No. 12343, Chemical Containment and Tank Installation at Water Pumping Stations to Chris-Hill Construction Company, LLC to extend the current contract with no increase in the contract value. (Randy Orsby)
5. Resolution Awarding a purchase order to Prime Controls, LP for distributed process control panels for McCord Pumping Station in the amount of \$479,715.86. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
6. Resolution approving payment of annual sewer discharge fee for the 2022 filter backwash discharge to City of Memphis in the amount of \$819,150.14. (Alonzo Weaver) (REQUIRES CITY COUNCIL APPROVAL)
7. Resolution approving Change No. 2 to Contract No. 12204, MLGW Distribution Automation (DA) Strategic Assessment, Road-mapping, and Master Plan with Burns & McDonnell to ratify and extend the current contract with no increase in the contract value. (Randy Orsby)
8. Resolution approving Change No. 1 to Contract No. 12336, Morton Distributed Process Control (DPC) Installation to Tri-State Armature & Electrical Works, Incorporated is to extend and increase the current contract in the funded amount of \$2,792.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

**PRESIDENT**

(None)

**SVP, CFO & CAO, FINANCE**

(None)

**SVP, CHIEF OPERATING OFFICER**

(None)

**SHARED SERVICES**

9. Resolution approving the ratification of Purchase Order Number 7036366 to Rush Truck Centers of Tennessee, Inc., for two-ton cab and crew cab and chassis trucks for an additional amount of \$88,790.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
10. Resolution approving the ratification of Purchase Order Number 7034772 to Rush Truck Centers of Tennessee, Inc., for two-ton cab and crew cab and chassis for an additional amount of \$28,800.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
11. Resolution approving the ratification of Purchase Order Number 7040889 to Rush Truck Centers of Tennessee, Inc., for six-ton cab and chassis tractors for an additional amount of \$18,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
12. Resolution approving the ratification of Purchase Order Number 7032235 to Rush Truck Centers of Tennessee, Inc., for a six-yard dump truck for an additional amount of \$4,800.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
13. Resolution approving the ratification of Purchase Order Number 7040887 to Rush Truck Centers of Tennessee, Inc., for class 8 cab / crew cab and chassis for an additional amount of \$11,790.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
14. Resolution approving Change No. 2 to Contract No. 12120, Trash Removal Services with BFI Waste Services, LLC dba Republic Services of Memphis to increase the contract value to pay outstanding invoices in the funded amount of \$9,100.48. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

**VP & GENERAL COUNSEL**

(None)

**PRESIDENT'S BRIEFING (Continued):****2. Greater Memphis Chamber Update - Ted Townsend**

Mr. Ted Townsend, President and CEO of the Greater Memphis Chamber appeared before the Board giving thanks to President McGowen and his leadership team for their quick transition and response to all the work they have going on. He also thanked Gale Jones Carson, Kim Bond, Cynthia Hailey, Sherita Goodman, and Fred DeMagistris, for their leadership and partnership in Economic Development. Recently MLGW was a valued Partner in their career fair as well as a student networking event hosting 21 stem related students from Knoxville.

Mr. Townsend reported Economic Development Announcements year-to-date consist of 3 projects, 230 net new jobs, \$11.5 million in anticipated capital investments, and over \$75,000.00 estimated average wage.

The first project is West Fraser a.k.a UV. They will be moving their headquarters and distribution center to Memphis. They are a Canadian producer of integrated wood products. They are looking to add 80 employees to their already 121 employees with an average annual wage over \$80,000.00.

The second project is MSS Steel Tubes USA, this is a Portuguese company that manufactures steel tubing used in solar panels, and this will be their first U.S. plant to bring 129 jobs with an average annual wage of \$47,000.00. The CFO stated that Memphis offered quick, affordable, reliable transportation.

The third project is PBC BioMed, an Ireland Based medical technology business. They are announcing U.S. Headquarter right here in Downtown.

All of these projects are foreign directed investment related meaning these are all new capital coming into U. S., and more particularly into the Memphis region.

Mr. Townsend states that the Chamber has another 34 projects in the pipeline which represents 8,900 potential new jobs, \$7.6 billion estimated capital investment, and an estimated average annual wage of \$60,400.00. 90% of these projects are advanced manufacturers. Majority of these projects are also business attraction, meaning these are also businesses considering our area for the first time, many of these businesses are very high powered users, capital intensive investments seeking advancement of technology. The Chamber is excited about the exposure we are getting.

We are competitive because of our rivers, rails, roads and runways. Memphis is competitive because companies are realizing that if they build it here they can get it anywhere very efficiently.

Mr. Townsend discussed Economic Development specifically power supply in the age of mega projects and super users. Mr. Townsend states that the Chamber has had 85 request for information since January of 2022 of those, 14 have a requirement of 25 mega watts or more. Prior to Blue Oval, we received one. These 14 projects represent 20.2 billion dollars in capital investments and 8800 net new jobs. We are at risk of being cut because of our lack of ability to provide power capacity in the timeline that the company needs. The Chamber is working to identify land where we might be able to put these companies. We need to be able to tell companies we have a plan to accommodate the power usage. We need MLGW to continue to work with us to develop these plans and agree collectively as a market to move these super users to the front of any process for approval. We also need to be sure we are always taking customer focused approach and being proactive for a solution. Mr. Townsend states that the Chamber is in a better position to pursue grants.

### **3. Annual Insurance Report - Marcus Tate**

Marcus Tate, Manager of Benefits, Insurance and Pension, presented to the Board 2022 MLGW Annual Healthcare Report. Marcus Tate reports that the MLGW Medical Plan's Per-Employee-Per-Month (PEPM) end of year trend is 6.88%, compared nationally, the PEPM end of year trend was 7.3% in the year 2022. The Plan's PEPM cost for drug utilization was 4%, compared to the national average for prescription medication trend was 8.4% in 2022. According to the chart presented by Mr. Tate, there was a 6.52% increase in Medical Claim Cost in 2022. Mr. Tate states the increase is due to price of goods & services and high utilization of services since February 2022. However, according to our advisors, this trend seems to be leveling off in the first quarter of 2023. Prescription plan cost PEPM percent of change for 2022 was 4%,

compared to the national average of 8.4%. Specialty drugs represent about 37% of the total claim cost. Specialty drugs are used for diabetes, oncology, dermatological, and anti-inflammatory drugs. Mr. Tate gave a breakdown of the medical and prescription claims experience that shows the breakdown of cost for active employees, retirees and cobra as well as the rebates we received from our pharmacy benefit manager which we show \$10,000,000.00 in 2022. Mr. Tate also showed the enrollment history and reported that MLGW has not had any premium increases for the previous four years and has not had any premium increases for the current year. Also, Mr. Tate informed everyone that we are having biometric screenings in the Lobby of the Administration Building today and encouraged everyone to stop by and get their numbers. Imperative that you know your numbers so that we can keep our prescription premiums down.

Commissioner Graves asked how this compared to what we budgeted? He asked what percentage of prior years did we budget? If we went over budget how did our premiums not go up?

Marcus Tate stated that our premiums did not go up because insurance coverage is a condition of employment and because we put our prescription rebates back into the plan. Our OPEB fund is funded good, we have great reserves in our account so we have not had any rate increases in the last 4-5 years.

Commissioner Graves stated that is highly unusual for any business and states that it also creates a disincentive for people who use the plan. Commissioners Graves states he would like to see the report from 2022 so he can send all his questions.

Marcus Tate states he will provide to Commissioner Graves the information he needs.

Commissioner Person comments to go on record and state that this looks real good, but also questions the sustainability of not having any increase and the hardship it could cause employees that are barely making it.

#### **4. Other - President Doug McGowen**

Timothy Davis updated the board on the metering and billing issue. Mr. Davis stated that MLGW has sent out 22,950 bills totaling \$15.8 million from the period of February 10, 2023, and March 7, 2023. Flight or Phase 2 is for roughly 28,846 unique residential bills and 5,799 commercial premises that we are working on sending out right now. We are communicating with customers by sending out text messages, auto dialers for over 38,000 folks, and an update to the "My Account" webpage by Friday. We have had training for over 100 plus staff members in residential and commercial call centers, community office staff and field staff to discuss when customers call being empathetic, and installed a line specifically for when customers want to inquire about making payment arrangements. From March 8, 2023, through March 13, 2023, we have had 808 payment arrangement inquiries. The "My Account" update now includes notification that shows if their bill is under review, and allows them to go ahead and make a payment based on their previous bill if they chose.

President Doug McGowen stated that the work will continue on with the metering exceptions until we have them all replaced, and that we have had dialogue with the water meter register manufacturer and the wiggler manufacturer. President McGowen stated that March 22, 2023, is the first meeting scheduled with wiggler manufacturer. President McGowen states that our multi-part approach is that we connect with customers to give them the best opportunities, second is that we get those bills out the



door and not hold them, that we are sending them out with an estimate, and third is to continue to get all registers repaired as they are broken. We are getting an extended warranty on the water meter registers.

President Doug McGowen informed the Board of the LED Streetlight Kick-off that is scheduled for March 20, 2023, at 3950 Weaver Road at 7:30 p.m. President McGowen thanked Chief Sled with the Memphis Fire Department over on Weaver Road for allowing us to use their apron so everyone can come out and take a look at this and see the benefits of this project which include public safety and energy conservation. Chairman Dickson and Mayor Strickland have committed they will be there. President McGowen stated that anyone who would like to see the streetlights beforehand could go down Highway 61 (Third Street South) to West Raines Road and North on Weaver, all of Raines Road and Weaver Road have been converted. They are now working on the neighborhoods that are adjacent to those roads. President McGowen states that the plan is for this project to be substantially complete by the end of this calendar year by replacing 77,000 streetlights.

President McGowen mentioned that on April 15, 2023, we are doing a hiring fair at MLGW University where we will be hiring people on the spot contingent upon passing background checks.

President Doug McGowen informed the Board that in an effort to plan for the future and making sure we are prepared for the influx of businesses and technology that Mr. Townsend of the Greater Memphis Area Chamber spoke of, he has asked our team to join him in a journey to MLGW 2045. President McGowen stated we are in a period of instability and transformation which provides for us to first double down on reliability issues, and second, we need to collectively understand how we are going to build communities for our future by getting with our surrounding communities to determine what their desires are for their communities, to understand how much reliable energy is needed and at what cost, as well as the source and delivery of energy. President McGowen states that this is really about a long-range plan and quoted a line from the movie Alice in Wonderland "Can you tell me, please, which way to go? The answer is that depends a great deal on where you want to get to". Conversation for MLGW 2045 is where do we want to get to that will provide the investments we want to make, and give us a sense of what our community's position is on so we can figure out exactly how our utilities need to be delivered. President McGowen is planning to kick off MLGW 2045, Friday, March 17, 2023, with some internal staff and a couple of consultants that will help us identify the four corners of the plan and what are all the things we should be considering. We plan to have a community event in April that will catalyze the discussion for our communities EV future. President McGowen's timeline for MLGW 2045 is as follows: May - June of 2023 plan the planning effort; June 2023 - July 2024 the planning takes place; August 2024 - summarize findings, technical follow-up; September - October 2024 - create the plan document; November -December 2024 - report out, EC and Board approval of plan. We do have some folks who have volunteered to lead this, Dana Jeanes and Alonzo Weaver, to spearhead this as Executive Sponsors. We have asked Valerie Overton, Frank Fletcher, Chandrika Rosser and Rodney Cleek to be the Planning Leads. President McGowen believes we need to build a utility that will power our community for future.



**COMMITTEE REPORTS:****Supplier Diversity Committee Report - 4th Quarter, 2022 - Tamara Pate**

Tamara Pate, Supplier Diversity Coordinator, presented to the Board the Supplier and Diversity 2022 Final Quarter Report. MLGW contracted over \$53 million with minority women and locally owned small business for a total of 39% of MLGW Total Diversity Spend, and we have purchased over \$43 million with our women minority local business accounting for 46% of our total diversity impact. Tamara Pate stated that we closed out the 2022 physical year with \$96 million secured in supplier diversity spend accounting for 42% of MLGW total procurement spend. This includes over \$27.3 million with our minority owned firms, over \$8 million with our women firms, and over \$61 million with our locally owned small firms. From a visual standpoint, we have remained steady in increasing our spend, and we look forward to growing even more in 2023. In our sheltered market program we truly impacted the local business community. Throughout the year MLGW spent over \$36 million with our sheltered market participants accounting for over 62% of the total division spend with a dozen active locally owned small firms in the program. For our procurement spend breakdown with our minority women and locally owned small business firms we have grown this year. We spent over 28% of our total diversity spend of over \$27 million with 36 minority owned firms which includes four of the eleven sheltered market participants. For the women owned businesses we spent over \$8 million accounting for 8.33% of our total supplier diversity spend with 23 women owned firms, 5 of which are part of the sheltered market as well. We also had 22 locally owned small businesses accounting for over 63 % of the total supplier diversity spend of \$61,271,991.87, which also includes the remaining local vendors in this sheltered market as well. For our multi-class spend, so far this year we have eight minority women and locally owned small businesses that have procured in multiple categories that range from over \$5,000 to over \$9,000,000.00.

We had a very productive year in the supplier and diversity department by covering several events in 2022, and engaging with 47 new companies at our "Monday Mingles", including 33 minority owned firms, 32 women owned firms, 4 small business. We have 254 new vendors register to do business with MLGW with a record of 8 showing that they are registered and certified minority women and locally owned small businesses.

Randy Orsby thanks everyone and invites everyone to come down to get some sweets and treats for Procurement and Contracts Appreciation Day.

**HR Committee Report - Jackie Jones**

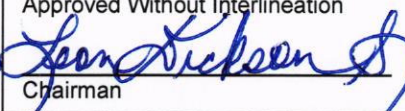
Jackie Jones presented to the Board a booklet that was shared at the HR Committee meeting that took place on February 21, 2023 for Q1, and shared an overview of a couple of areas; safety and talent acquisition. In 2021, we had a good safety year. The one area of opportunity was preventable vehicle collisions, that's because we were running into the back of vehicles and running into fixed objects. In 2022, we improved significantly in that area, but had a couple of opportunities including lost time and couple of fatalities. Therefore in 2023, we are focusing on doing a deeper dive anytime we have an accident by asking the Five Y's, rolling out policy around duty to speak up, provide more training, refresher training, and hold employees accountable. As far as Talent Acquisition, as Chief mentioned we are having the Career Fair on April 15, 2023, but we are doing a lot of things different in Talent Acquisition. We started doing things

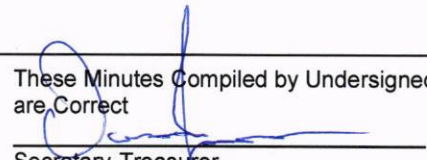
different last year in terms of process improvements and streamlining processes. In this war on talent, we have got to be able to make job offers on the spot, offer referral bonuses because as we know the best employees that we have are the ones that are referred by someone that is already employed with us. We are also going to be offering sign-on bonuses. We want them to look at MLGW as a career versus just a job. We are going to make sure that they know if you start at an entry level at MLGW there is always room for a career at MLGW. We are also working with Gale's team on advertising standpoint, to include more on social media and LinkedIn.

Jackie Jones also reported to the Board about employee appreciation stating that MLGW does a lot to show the employees appreciation. One of the recent events that we had was a food truck. We did this because our employees really delivered over the Christmas Holidays. We provided treats for all 2,500 our employees. Jackie Jones thanked several employees that assisted in organizing this event. The employees really appreciated the event.

### ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:42 a.m. (See Minute File No. 1480)

Approved Without Interlineation  
  
Chairman

These Minutes Compiled by Undersigned and  
are Correct  
  
Secretary-Treasurer