



# 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, January 4, 2023

8:30 AM

Board Room

### CALL TO ORDER AND OPENING REMARKS:

Chairman Dickson

The meeting was called to order at 8:29 a.m.

### PLEDGE OF ALLEGIANCE:

Chairman Dickson

The Pledge of Allegiance was recited.

### ROLL CALL:

Dana Jeanes

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	Present	

### APPROVALS:

**Motion To:** Approve Minutes of the Meeting of December 21, 2022.

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

### CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions dated December 20, 2022, items 16 through 23, and items 28 through 29, with same night minutes. (See Minute File No. 1477.)

### PRESENTATIONS:

(None)

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

1) Ray Bauer, 755 University Street, as Representative of group, 21st Century Memphis or Bust. Ms. Bauer stated that her group had several questions that needed to be answered. Ms. Bauer stated that MLGW communication must improve. Did we have a plan to fulfill the "Rolling Black Out" and when will that be available to the public? Does MLGW have a disaster plan and when will you share with the public? Who was

over communication during the recent storm, and why were there not updates every 2 - 3 hours on FaceBook and other social media.

## **PRESIDENT'S BRIEFING:**

1. Review of Consent Agenda – Doug McGowen, President/CEO

(President's Briefing Continued on Page 3)

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**

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Mitch Graves, Board Member
<b>SECONDER:</b>	Michael Pohlman, Vice Chairman
<b>AYES:</b>	Pohlman, Pesce, Person, Graves, Dickson

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

1. Resolution awarding a thirty-six-month purchase order to Neptune Technology Group, Inc., for water meters in the amount of \$3,184,544.10. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

### ***CHIEF INFORMATION OFFICER***

(None)

### ***CHIEF PEOPLE OFFICER***

(None)

### ***COMMUNITY & EXTERNAL AFFAIRS***

(None)

### ***DESIGN CONSTRUCTION & DELIVERY***

(None)

### ***ENGINEERING & OPERATIONS***

2. Resolution approving Change No. 4 to Contract No. 12150, Mallory Wash Water Recovery with Chris-Hill Construction Company, LLC., to ratify and extend the current contract with no increase in the contract value. (Randy Orsby)

3. Resolution approving Change No. 4 to Contract No. 12013, MLGW Water Engineering & Operations Generator Maintenance and Repair with Cummins, Incorporated to ratify and renew the current contract in the funded amount of \$50,000.00. (This change is the fourth and final annual renewal terms for the period covering January 9, 2023 through January 8, 2024.) (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
4. Resolution approving Change No. 1 to Contract No. 12379, 18 XXHP at Germantown Gate Station with T.D. Williamson (TDW) US, Incorporated to amend the original award amount to reflect an increase of \$73,382.71. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
5. Resolution approving Contract No. 12410 University of Memphis, on behalf of the Herff College of Engineering's Center for Applied Earth Science and Engineering Research (CAESER) for the authorization to pay for services, maintenance, and support of the current contract in the funded amount of \$1,625,000.00.

**PRESIDENT**

(None)

**SVP, CFO & CAO, FINANCE**

(None)

**SVP, CHIEF OPERATING OFFICER**

(None)

**SHARED SERVICES**

(None)

**VP & GENERAL COUNSEL**

(None)

**PRESIDENT'S BRIEFING (Continued):****2. Other – President Doug McGowen**

President McGowen addressed question of the Customer Advocacy Group, 21st Century Memphis or Bust regarding the lack of communication and notice of issues during the recent winter storm. President McGowen stated that text alerts were sent out regarding the boil water advisory and the rolling blacks outs to individuals that had signed up through "My Account". Every day at noon President McGowen had an interview with the Media and that information was broadcast on television, radio, and other media outlets. Every evening the President shared a message via social media. Emails were sent out multiple times a day. Text alerts went out to those who are signed up through "my account", but we are looking into a more generalized way of sending out text messages by working with the Shelby County Office of Preparedness and also, the City of Memphis is looking into the ability to send out mass text alerts to residents. We can always do better, and we will look at ways to improve.

President McGowen also described what happens with rolling blacks outs and how that helps by trying to make generation meet the demand.

### 3. Deepfreeze Outages and Rolling Blackouts Ordered by TVAS – President Doug McGowen

President McGowen discussed the effects of "Winter Storm Elliot" on our community. On December 23 and December 24, TVA ordered all 153 local power companies to reduce their load by 5%. This was the first time that the Emergency Load Curtailment Plan has ever been ordered in our 89-year history with TVA. On December 24, they increased this amount to 10% in a matter of 20 minutes. They issued this because of the historic demand because of the single digit temperatures which caused a loss of generation in TVA's portfolio on Friday morning. They lost thousands of megawatts of generation capacity. Also, there was an inability to secure power outside of the TVA system, so we lost generation power and the inability to bring in power that caused the inability to meet the demand. The contract that MLGW has and every company has is an agreement to have an emergency load curtailment plan in place to protect the Bulk Electric System. Everybody, all 153 electric companies are required to comply.

As we prepared for the storm, we placed crews on stand-by. On the afternoon of December 22, we put into action the Electrical Crisis Response Team. Some of the issues experienced with the blackouts was caused from the shift from 5% to 10% within 20 minutes. Also, we control circuit breakers remotely which worked well when opening the circuit, but in about 30% of the cases did not operate when closed remotely because of the extreme cold temperatures. Therefore our team had to physically go out to substations to close the circuit breakers and restore power which also extended the time of the outage. We also experienced issues because of the storm falling on a holiday and there was no warning from TVA that we may have to do rolling blackouts.

President McGowen states that we did use every available resource we had to get information out. TVA is looking into ways they can improve communication and prepare. MLGW will also be doing an analysis to determine where and how we can improve, and one of the ways we will be doing that is evaluating our Way Forward Plan.

### 4. Water Distribution Crisis and Recovery – President Doug McGowen

President McGowen discussed the issue with our water system caused by the arctic bomb cyclone temperatures that hit our area on the evening of December 22 and the early morning of December 23. The rapid drop in temperatures and the wind chills had a significant impact on water systems both those operated by MLGW and those owned by our customers. Water mains, fire protection systems and commercial and residential water systems froze due to extreme cold causing ruptures. These ruptures going unnoticed at vacant businesses and breaks in our water mains and customers caused a reduction in water pressure. The low water pressure causes us to issue a precautionary boil advisory. President McGowen did note that at no time did we ever discover any contaminants in the water, but we simply complied with the state regulations requiring us to issue a boil water advisory.



President McGowen highlighted evident improvements from the last deep freeze that happened in February 2021 stating that we had fewer water main breaks and many of our wells and pumping stations have received substantial upgrades that allowed us to push out 223 MGD at increased pressures at the pumping stations to maintain sufficient pressures for hospital operations to keep water flowing to as many areas as possible.

President McGowen did state that during this event, we experienced at high rate of Fire Protection system ruptures many that went undetected for several days due to being vacant for the holidays and these systems not being metered. These ruptures caused reduction of water pressure. President McGowen states that we need to look into this issue. He states that we will meet with fire marshals, commercial code enforcement and building code officials to determine if there is an alternate solution for monitoring these systems, especially for existing systems.

President McGowen thanked the MLGW team for responding to the arctic bomb cyclone. This was truly an all hands-on deck evolution. Our teams did whatever necessary. We will recognize folks more formally in the coming weeks.

#### 5. Gas Portfolio Management: MLGW's Gas Buying Team - Jeff Sissom & Hyung Lee

Presentation by Jeff Sissom and Hyung Lee.

Jeff Sissom identified all the members of MLGW's Natural Gas Buying Team, gave some background information as to how the Gas Portfolio Management team came into existence and what it does. Mr. Sissom also provided information as to where we get gas and our long-term gas purchase commitments. Mr. Sissom also provided the Board with annual savings as a result of purchasing gas in volume. Memphis is a crossroad for three major pipelines which helps us to have a competitive advantage when we are renting pipeline capacity on their system.

Hyung Lee described the benefits of the hedging program and how that helps with the cost of gas which saves our customers. We only hedge in the winter months and we hedge up to four years out. Mr. Lee discussed how the executive staff made the decision to extract some value back in May which saved us \$45 million. Mr. Lee discussed some future plans of hedging and that they are watching trade.

Mr. Sissom and Mr. Lee answered questions of the board members as to ownership of the pipeline, fees for maintenance, and what our return is on the sale of gas.

Mr. Sissom reviewed the February 2021 minimum temperatures and average regional prices and how this affected our gas. Mr. Sissom also discussed Gas Purchase Meetings that are held monthly and the Hedge Committee Meeting with a member of the MLGW Board of Commissioners, MLGW President, executive staff, etc.

**COMMITTEE REPORTS:**

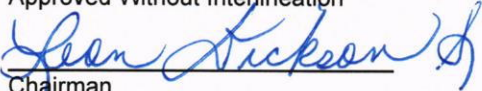
(None)

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 9.58 a.m.

(See Minute File No.1478.)

Approved Without Interlineation

  
Chairman

These Minutes Compiled by Undersigned and  
are Correct

  
Secretary-Treasurer