



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Wednesday, July 3, 2024

8:30 AM

Board Room

CALL TO ORDER AND OPENING REMARKS:

Chairman Dickson

The meeting was called to order at 8:30 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	Absent	
Cheryl Pesce	Board Member	Present	
Carl Person	Board Member	Present	
Mitch Graves	Board Member	Present	
Leon Dickson	Chairman	Present	
James Lewellen	Advisory Board Member	Present	
John Butler	Advisory Board Member	Present	

PRESENTATION - Water Filter System Upgrades - President McGowen and Chandrika Winston-Rosser

Prior to the approval of the Minutes for the June 19, 2024 Board of Commissioners Meeting, President McGowen addressed the Board regarding their concerns voiced at the June 19, 2024 Board Meeting on the approval of Contract No. 12484 for Water Filter System Upgrades. President McGowen asked Chandrika Winston-Rosser, Vice President of Gas and Water Engineering and Operations, to the podium to present information regarding those concerns mentioned in the June 19, 2024 Board Meeting. Mrs. Winston-Rosser gave an overview of the project, the cost of the project, reimbursements from ARPA Funds, Supplier Diversity information, and Bonds and Liquidated Damages that have been added to the contract.

Commissioner Pesce expressed concerns with terms and our process for ensuring supplier diversity. President McGowen confirmed that we are working on a presentation regarding those processes, and a presentation will be made as soon as it is complete.

Several Commissioners asked additional questions. Mrs. Winston-Rosser, President McGowen, Randy Orsby and others responded.

APPROVALS:

Chairman Dickson

Motion To: Approve Minutes from the Meeting of June 19, 2024. - ITEMS 4, 5, 6, 7, 8, 9, and 12 through 14

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

APPROVALS:

Chairman Dickson

Motion To: Approve Minutes from the Meeting of June 19, 2024. - ITEMS 1, 2, 3, 10, and 11

RESULT: **ADOPTED [3 TO 0]**
MOVER: Mitch Graves, Board Member
SECONDER: Cheryl Pesce, Board Member
AYES: Cheryl Pesce, Mitch Graves, Leon Dickson
ABSENT: Michael Pohlman
RECUSED: Carl Person

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

(None)

PRESENTATIONS:

(None)

GENERAL STATEMENT(S) FROM THE PUBLIC:

Chet Kibble, Sr. - 3229 Lakeview - Director of the Memphis/Shelby County Lead Safe Collaborative - Mr. Kibble stated that he has been coming before the Board for years now, and still hasn't gotten any answers. Mr. Kibble stated that Memphis Light, Gas and Water refuses to acknowledge there are any issues. Mr. Kibble mentioned all of his training and expertise. Mr. Kibble also mentioned going and speaking at several conferences and left his resume in case the Board wished to review it. Mr. Kibble stated that the EPA has done two appreciation inquiries and in the second one, they came up with a 4-step plan. Mr. Kibble says that MLGW denies there is a problem. Mr. Kibble also mentioned an article having to do with Home Depot. Mr. Kibble stated as he was leaving the podium that he would still like to have a meeting with President McGowen.

Keenan Hilson - 7665 Easterly Lane - Former Employee - Mr. Hilson would like to be reinstated into the Line Department. Mr. Hilson believes that he should be forgiven and given a second chance. Mr. Hilson stated that there are not many out there that want to climb poles, but he does. Mr. Hilson is a four-year Apprentice Lineman. Mr. Hilson would like a meeting with President McGowen and to be reinstated.

Joe Kent - 5111 Flamingo - Mr. Kent suggested that some type of fraud or conspiracy is taking place with the tree trimming contract and the \$44 million-dollar one bidder contract with Grinder, Taber, Grinder. Mr. Kent stated that he has submitted an FOI to the Shelby County Health Department, and they sent the same information that he had from 2018. Mr. Kent stated that nothing had changed since 2018 and that the Health Department stated that they only had one vehicle to police our most valued Aquifer asset countywide, with 13 people in the Groundwater Office. Mr. Kent mentioned the ARPA money that is being spent on clean water, and an entire fleet of vehicles that are just sitting in Shelby Farms. Mr. Kent hoped his point was received. Mr. Kent thanked MLGW for the financials and stated that they reveal that we are at a \$55 million spend deficit and the warehouse is filling up with inventory. Mr. Kent mentioned a non-transparent database that was developed by him, and he granted to the Taxpayer Institute which he valued at \$1 million. Mr. Kent stated that the Board could make a contribution to offset the cost of that database.

Dennis Lynch - 347 N. McLean - Member of the Sierra Club but appeared today personally - Mr. Lynch suggested MLGW hire a brilliant, genius type individual to challenge Elon Musk. Mr. Lynch also asked if MLGW has consulted with other companies to see if they might be interested in a data center here in Memphis. Mr. Lynch stated that he knows business dealings are usually behind closed doors, but he believes the public needs to know more before we "give away the farm". Mr. Lynch does not believe that we should make it so easy for Mr. Musk and xAI. Mr. Lynch asked if anyone had a list of the benefits and risk of the project? Mr. Lynch had many questions surrounding xAI and the effects it would have on our community. Mr. Lynch stated that he would submit those questions in writing.

Glenda Hicks - 3608 Gilleas - Co-Founder of 21st Century Memphis or Bust - Ms. Hicks appeared before the Board to discuss issues with billing. Ms. Hicks stated that she has elevated concerns because she knows of accounts that have supposedly been corrected that have not yet been corrected. Ms. Hicks stated that she has data that she received last week for a member who has not received a bill since December, and now has all of a sudden received a bill for June with no information as to the past five months or the money that they have been paying in. Ms. Hicks mentioned a list that she provided President McGowen a list of 17 accounts that had issues, and she has only gotten a response regarding 7 or 8 of them. Ms. Hicks stated that it is hard for customers to trust that MLGW bills are correct. Ms. Hicks stated that there are some serious billing issues as well as employee issues within the billing department. Ms. Hicks requested an independent audit of the billing department. Ms. Hicks implored the Board to please address these concerns.

Sarah Clark - 3083 Guernsey Avenue - Ms. Clark stated that she is a citizen scientist. Ms. Clark stated that our community understands the effects of environmental exposures and how this has affected our children's lives, along with long-term effects of

known chronic poisoning because of MLGW's lack of responsibility. Ms. Clark stated that MLGW has failed to inform the community that they have lead water lines along with the real danger. Ms. Clark stated that there have been several appreciative inquiry sessions with the EPA which created a plan of action. Ms. Clark stated that MLGW has ignored the plan of action and has failed to take an active role in telling the truth to the City Council and Mayor. Ms. Clark stated that MLGW's refusal to meet with Mr. Kibble is an insult to the community. Ms. Clark demands that the community have active participation in the development of our lead removal and replacement plan.

Commissioner Dickson recognized City Councilman Phillip Spinoza who was in attendance.

Review Consent Agenda – President Doug McGowen

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.

(President's Briefing Continued on Page 77)

CONSENT AGENDA
(Items 1 through 9)

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Cheryl Pesce, Board Member
SECONDER:	Mitch Graves, Board Member
AYES:	Cheryl Pesce, Carl Person, Mitch Graves, Leon Dickson
ABSENT:	Michael Pohlman

Advisory Board Member Lewellen - Concurs

Advisory Board Member Butler - Concurs

Commissioner Pesce inquired about Item #9. Mr. Timothy Davis responded.

Commissioner Graves asked about billing issues. President McGowen responded.

Chairman Dickson asked about the replacement of the wrigglers. Chief McGowen and Mr. Timothy Davis responded.

Commissioner Person asked about not cutting people off because of a billing issue. Mr. Timothy Davis responded.

PRESIDENT

(None)

SVP, CHIEF OPERATING OFFICER

(None)

VP ELECTRIC ENGINEERING & OPERATIONS

1. Resolution approving Change No. 3 to Contract No. 12277, Drilled Pier Foundations Installation with Chris-Hill Construction Company to renew the current contract with no increase in the contract value. (Randy Orsby)

VP WATER & GAS ENGINEERING & OPERATIONS

2. Resolution approving the payment for Street Cut Permits to the City of Memphis in the amount of \$950,000.00. (Chandrika Winston-Rosser) (REQUIRES CITY COUNCIL APPROVAL)

SVP, CFO & CAO, FINANCE

3. Resolution approving the 2023 MLGW Annual Report. (Dana Jeanes)
4. Resolution approving the 2023 Retirement and Pension System Annual Report. (Dana Jeanes)
5. Resolution approving the 2023 Other Post Employment Benefit Trust Annual Report. (Dana Jeanes)

VP & CIO

6. Resolution approving Change No. 1 to Contract No. 12519, Citrix License and Support Subscription (formerly Contract No. C2632) with Logicalis, Inc. to ratify, renew, and change the contract in the funded amount of \$137,134.03. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP SHARED SERVICES

7. Resolution awarding purchase order to Automotive Tool Group for conduit polyvinyl chloride (PVC) 3" in the amount of \$444,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
8. Resolution awarding purchase order to All Rite Plumbing Parts, Inc. for gas valves and steel pipe in the amount of \$6,323,429.97. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP CUSTOMER EXPERIENCE & ENERGY SERVICES

9. Resolution approving Change No. 2 to Contract No. 12460, Bridgewater Consulting with Bridgewater Consulting Group, Inc. to ratify, extend and change the project scope in the funded amount of \$382,500.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP CORPORATE COMMUNICATIONS

(None)

VP & GENERAL COUNSEL

(None)

VP & CPO PEOPLE SERVICES

(None)

PRESIDENT'S BRIEFING**MLGW Technology Software Briefing - Lashell Vaughn**

Mrs. Lashelle Vaughn, VP and CIO, presented to the Board a high-level summary of our computer software used at Memphis Light, Gas and Water. Mrs. Vaughn also provided to the Board a packet which included more detailed information for their review. Mrs. Vaughn informed the Board that some time back, Baker Tilly recommended that MLGW establish an IT steering committee to oversee projects and ensure risk are managed, create formal project request and approval process, develop a strategy for prioritization of IT initiatives and projects, and monitor project progress. The Members of the MLGW ITOC are Lashell Vaughn, Dana Jeanes, Alonzo Weaver, Timothy Davis, and Dr. Von Goodloe. Mrs. Vaughn stated that her area oversees 100 plus major software applications that are necessary to support the ongoing operation of Memphis Light, Gas & Water. Mrs. Vaughn provided the Board with an overview of the current software applications and how much we spend on the software. Mrs. Vaughn assured the Board that they are constantly looking at our contracts. Mrs. Vaughn discussed some of the challenges faced with our contracts process. Mrs. Vaughn provided a detailed description of what particular software does for us.

Commissioner Person stated that he just wanted to make sure that we are looking at our programs to ensure the software that we are using is the right software to take us from here to there as we know technology and AI are always changing. Commissioner Person mentioned getting a third-party vendor to look at our software. Commissioner Person would like to know that we are checking with other utility companies across the country to see what they are using. Commissioner Person also recommended working closely with the CIO for the City of Memphis. Commissioner Person suggested that every 90 to 120 days that we take a look at where we are and decide if there should be some money allocated on the capital improvement side for technology moving forward. Commissioner Person stated that we need to be thinking about investing in technology to make whatever we do more efficient.

Commissioner Pesce and Commissioner Person expressed their concerns with the current billing software and the need to have something more efficient.

Mrs. Vaughn informed the Board that over 26% of the software contracts have supplier diversity on it.

Other - Doug McGowen

President McGowen thanked the Board for all their questions and rigor regarding the actions that we are taking here. President McGowen also thanked Councilman Spinoza for attending the Board Meeting today.

President McGowen stated that we are working to bring the Board a presentation on all the steps of our billing system.

President McGowen thanked the Board for allowing him to talk about our MWBE Program and stated that next time we will have a presentation for you regarding that process.

President McGowen addressed some of the public comments that were made. First, President McGowen did confirm that MLGW is not giving anything away and that Mr. Musk and xAI and everybody else, will pay for the provision of those utilities, and they will pay for them at the rate at which everybody else pays for them and at the standards that we have set. President McGowen stated that we are very interested in preserving the assets we have and that is why we commissioned and paid for the study of the aquifer so we can understand it. President McGowen stated again that no one has to convince us to do the right thing.

President McGowen thanked the Finance Team for putting the un-audited financials on the internet and noted that there will be times that we will be delayed in providing that information.

President McGowen stated that we have a very full City Council Agenda next week that consist of items from three Board of Commissioners Meetings.

President McGowen shared that the first steps for a 9-Megawatt Solar Project at the South Wastewater Treatment plant called the Maxim Wastewater Treatment Plant was approved by the Land Use Control Board and is now being considered by the Memphis City Council and Shelby County Commission. President McGowen stated that the solar project when it is full power it will meet the electric needs of the South Wastewater Treatment Plant but will have the added benefit of being connected to the MLGW Grid so that they have surety that the system will continue to operate. President McGowen stated that they will not be investing in battery storage because they believe this will provide significant benefit. President McGowen stated that he is proud of the MLGW Team who worked very closely with Robert Knecht of the City of Memphis to help find a way for this project to have the most impact and the be installed the fastest possible way. President McGowen stated that this project demonstrates how individually, project by project, facility by facility, we can reduce our energy demand. President McGowen states that this is consistent with what we are doing here at MLGW by installing the LED

street lights which created a seven and a half megawatt reduction in our load. President McGowen reported that we have batteries proposed to be constructed this year and next year that are in our budget, and we are on a path to get that done. President McGowen also stated that we have solar in our budget for 2026 and 2027 and we are on a path to get that done. President McGowen also mentioned that the greywater facility represents another investment of our community into resilience and sustainability.

President McGowen stated that he appreciated the opportunity for the public to appear here today especially on the eve of our nation's 248th birthday. President McGowen stated that public discourse and dialogue is a privilege that we often take for granted here in the United States of America, and that we ought not forget the rights and privileges that we and our predecessors fought for. President McGowen stated that he is especially thankful that we welcome the public to be a part, thankful for us to have a public utility, and for a Board of Commissioners here for open dialogue and accountability like no other nation has. President McGowen wished everyone a happy Independence Day as we are on the eve of this nation's birth/

Commissioner Graves asked for more information regarding the greywater facility. President McGowen responded.

Commissioner Graves stated that we need to support the Shelby County Groundwater Board. President McGowen responded.

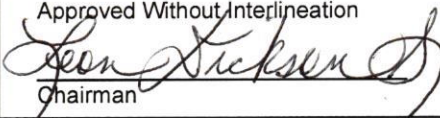
Commissioner Person asked if once a quarter we could give an update as to the Lead. Commissioner Person asked that when members of the public appear before the Board that we address their concerns and provide facts to the public. President McGowen responded that we can do that.

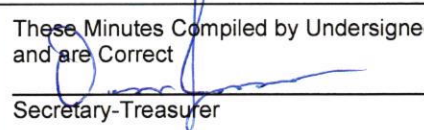
COMMITTEE REPORTS:

(None)

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:28 a.m. (See Minute File No. 1496)

Approved Without Interlineation

Chairman

These Minutes Compiled by Undersigned
and are Correct

Secretary-Treasurer