



Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Minutes ~

Wednesday, September 18, 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:

Rod Cleek

Attendee Name	Title	Status	Arrived
Michael Pohlman	Vice Chairman	Present	
Cheryl Pesce	Board Member	Present	
Carl Person	Board Member	Absent	
Mitch Graves	Board Member	Present	
Leon Dickson	Chairman	Present	
James Lewellen	Advisory Board Member	Absent	
John Butler	Advisory Board Member	Present	

APPROVALS:

Chairman Dickson

Motion To: Approve Minutes from the Meeting of September 4, 2024.

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

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Rod Cleek

Acknowledged receipt of certified copies of City Council Resolutions dated September 10, 2024, Items 21 through 31, with Same Night Minutes on Item 31. (See Minute File No. 1497)

PRESENTATIONS:

(None)

GENERAL STATEMENT(S) FROM THE PUBLIC:

Chairman Dickson announced the guidelines regarding the process and procedures for the public to address the Board.

Latricea Adams - 655 S. Riverside Drive - Founder, CEO and President of Young, Gifted & Green and White House Environmental Justice Advisory Council Appointee and proud Memphis Native - Ms. Adams commended MLGW and President McGowen on the progress MLGW is making with some of the community recommendations regarding lead service lines. Ms. Adams mentioned that MLGW is updating their GIS Map on lead service line inventory which provides specificity and updated data surrounding the status of customers lines. Ms. Adams encouraged MLGW to promote this new feature and get customers engaged to learn more. Ms. Adams stated that prior to President McGowen not much funding has been sought out for lead service line replacement. Ms. Adams reported that under President McGowen's leadership, MLGW has applied for the most funding in decades specifically earmarked towards lead service line replacement. Ms. Adams did ask for a community advisory board specifically regarding service line replacement. Ms. Adams also thanked MLGW and President McGowen for being brave and courageous enough to speak directly to the community regarding xAI. Ms. Adams requested that MLGW and the MLGW Board utilize their influence to get xAI, the Memphis Area Chamber of Commerce, and all other stakeholders to engage with the community as MLGW has done. Ms. Adams asked the Board to use their power to advocate for using clean, renewable energy, not dirty gas and rely on reclaimed water, mitigating any near term impacts on our Davis Well Field Drinking Water Infrastructure.

KeShaun Pearson - 1110 Star Line or 3831 Masterson - President of Memphis Community Against Pollution - Mr. Pearson stated that he and Ms. Adams appeared before the Board today to ask the Board to continue to regulate who has power in the City of Memphis. Mr. Pearson wanted to illuminate that transparency builds trust. Mr. Pearson stated that without transparency there is no way that we can build trust. Mr. Pearson stated that xAI has announced that they are doubling in size. Mr. Pearson stated that was troubling that they can do this without any input from our MLGW Board and our community. Mr. Pearson stated that it is for this reason that we are advocating for more governance, more oversight, and more information. Mr. Pearson asked if an impact study will be completed due to this announcement of use for 300 megawatts of power. Mr. Pearson asked if there will be any further communication with the communities that will be breathing in the air. Mr. Pearson stated these are the questions we are expecting MLGW Board and President McGowen to ask and answer going forward. Mr. Pearson asked the Board to use its power and require xAI to commit that it will use clean energy and reclaimed water.

John Brugge - 958 Harbor View Drive - Mr. Brugge stated that he is a Memphis Native and a sustainability professional. Mr. Brugge appeared before the Board to discuss concerns with xAI. Mr. Brugge expressed his appreciation to MLGW for having the Board Meetings and allowing public to speak. Mr. Brugge also expressed his appreciation to MLGW for getting his power back on the other day. Mr. Brugge stated that the leadership from xAI and crypto mining companies are not from here and they do not care about Memphis. Mr. Brugge stated that these leaders have exhibited patterns of extractors and opportunist by their surprises, new terms and new usage that they

don't tell us about. Mr. Brugge states that these companies chose Memphis as an easy target, a community that might sell their health and well-being as well as their life-giving air and water for cheap. Mr. Brugge stated that we are stewards of our air and water, for now and in the future. Mr. Brugge stated that these companies are setting up shop here to pollute and waste, and then leave us with pennies while they collect profits that are sent out of town. Mr. Brugge stated that they are already insulting us with these mobile gas turbines. Mr. Brugge mentioned TVA only being able to offer us more fossil fuel to provide for our City's demand. Mr. Brugge expressed his concerns that eventually TVA will be looking to install pipeline right through our backyards. Mr. Brugge mentioned health concerns especially that of cancer.

Chairman Dickson welcomed Commissioner Person who joined the Meeting via Zoom.

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 116)

CONSENT AGENDA

(Items 1 through 8)

Motion To: Approve Consent Agenda Items 1 through 8.

RESULT: APPROVED [4 TO 0]
MOVER: Mitch Graves, Board Member
SECONDER: Cheryl Pesce, Board Member
AYES: Michael Pohlman, Cheryl Pesce, Mitch Graves, Leon Dickson
AWAY: Carl Person

Commissioner Person joined the meeting remotely therefore he did not vote.

Advisory Board Member James Lewellen - Absent

Advisory Board Member John Butler - Conkurs

Motion To: Approve Same Night Minutes for Item #1.

RESULT: APPROVED [4 TO 0]
MOVER: Mitch Graves, Board Member
SECONDER: Michael Pohlman, Board Member
AYES: Michael Pohlman, Cheryl Pesce, Mitch Graves, Leon Dickson
AWAY: Carl Person

Commissioner Person joined the meeting remotely therefore he did not vote.

PRESIDENT & CEO

1. Resolution requesting the approval of the Board to authorize payment in the amount up to \$330,000.00 as matching funds with TVAs Community Care Funds to be distributed to a local 501(c)(3) organization for utility bill assistance. (Doug McGowen) (REQUIRES CITY COUNCIL APPROVAL) (SAME DAY MINUTES REQUESTED)

SVP, CHIEF OPERATING OFFICER

(None)

VP ELECTRIC ENGINEERING & OPERATIONS

(None)

VP WATER & GAS ENGINEERING & OPERATIONS

(None)

SVP, CFO & CAO, FINANCE

(None)

VP FINANCE & ACCOUNTING

(None)

VP & CIO

2. Resolution approving Change No. 1 to Contract No. 12465 (solicited under Contract No. 12433), Professional Services IS/IT with Cook Systems to increase and renew the current contract in the funded amount of \$3,420,676.80. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
3. Resolution approving Change No. 1 to Contract No. 12433, Professional Services IS/IT with 1Link Technology, LLC to increase and renew the current contract in the funded amount of \$3,142,161.20. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
4. Resolution approving Change No. 1 to Contract No. 12466 (solicited under Contract No. 12433), Professional Services IS/IT with CTD Staffing to increase and renew the current contract in the funded amount of \$3,370,194.80. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
5. Resolution approving Change No. 1 to Contract No. 12467 (solicited under Contract No. 12433), Professional Services IS/IT with Nextech Solutions to increase and renew the current contract in the funded amount of \$3,176,661.28. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
6. Resolution approving Change No. 4 to Contract No. 11595, Telvent Maintenance Agreement with Schneider Electric Smart Grid Solutions, LLC (formerly Telvent USA, LLC) to renew the current contract in the funded amount of \$264,060.06. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP SHARED SERVICES

7. Resolution approving a second, one-year option to extend purchase order number 7046271 to Mansfield Oil Company of Gainesville, Inc. for unleaded and diesel fuel in the amount of \$6,391,555.44. The unleaded gasoline and diesel fuel is needed to fuel MLGW's fleet. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

8. Resolution awarding Contract No. 12534, Transportation Uniforms to Cintas Corporation No. 2 in the funded not-to-exceed amount of \$309,101.99. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP CUSTOMER EXPERIENCE & ENERGY SERVICES

(None)

VP CORPORATE COMMUNICATIONS

(None)

VP & GENERAL COUNSEL

(None)

VP & CPO PEOPLE SERVICES

(None)

PRESIDENT'S BRIEFING CONT'D**Other - Doug McGowen**

President McGowen mentioned the tropical storm that recently moved through our area. President McGowen provided the Board with detailed information regarding the storm and described all the ways we were prepared for the storm. President McGowen provided to the Board the total number of outages and how long it took our team to restore power. President McGowen stated that our entire team, not just our electrical team, but our entire team was standing by all weekend to do whatever was necessary.

President McGowen addressed the public comments with respect to the rise of data centers. President McGowen stated that he understands and shares in the concerns regarding data centers. President McGowen stated that data centers are a relatively new phenomenon to our nation and to our market. Therefore, President McGowen views this as the opportunity for us to get it right. President McGowen stated that we echo the sentiments of our community that we owe it to our customers to get it right. President McGowen informed everyone that when we have a new customer wanting power, we have two basic things we always examine which is if there is availability of power to serve that customer and other customers as well as the impact of reliability on our existing customers. President McGowen stated that someone mentioned our service policy, but by statute and ordinance, where power is reasonably available, we cannot deny it in an arbitrary manner. President McGowen stated that it is for this reason that we examine the request for power as we have done in the case of these data centers. President McGowen assured everybody that in the case of xAI and other

data centers that our team has done the diligence to say that we are confident in our approach to ensuring power is available to our existing customers by dictating and demanding that these facilities participate in a demand response program. President McGowen provided information regarding the demand response program and how we ensure reliability.

President McGowen gave an update on delayed and held bills. We are down to 1,731 residential accounts that have delayed or held bills and that only about 300 of those are more than 30 days delayed. President MCGowen reported that our team has done yeoman's work to correct the error. President McGowen stated that he committed to the Board that we would have the delayed and held bills on track by the end of the year, but he thinks we will be on track by the end of September. President McGowen stated that reliability is job one, reliability of your utilities, but also reliability of getting an accurate bill each and every month.

President McGowen commented on Mr. Pearson's statement that xAI is doubling its power. President McGowen stated that a company can say a lot of things, but they have to make a specific request. President McGowen stated that just because someone has announced something does not mean it has been formally requested or that we are acting on it. President McGowen stated that if a formal request is made you can bet that we will do a transmission generation impact study to determine if that load is feasibly available to be served without adversely impacting existing customers in our system.

Commissioner Graves asked how many gas turbines are they using at xAI? President MCGowen responded stating that he is not sure of the exact number, but he believes it to be in the range of 15-20 gas turbines. Commissioner Graves asked how long are they going to be in use? President McGowen stated that it is his understanding that these are temporary and per the understanding he has from the EPA and the health department, since they are temporary and mobile, they can only be used without some formal approval from those bodies for less than one year. President McGowen stated that right now they are receiving 50 megawatts of power from us, and the plan is to have a substation that will provide them the 150 megawatts, subject to TVA's approval of that load, around the first quarter of next year which would mean that they would no longer have a need for that. President McGowen stated that should there be an expansion of xAI as previously mentioned, it would have to be determined if they would need those while an expansion is going on. President McGowen stated that would be a question for the company. Commissioner Graves asked who authorizes the use of the turbines. President McGowen stated that it is his understanding, but he is not the expert on this, that a permit is required depending on the style of turbine and that the Environmental Protection Agency has a role to play in this. President McGowen stated that in the event they were seeking permanent generation, then our Shelby County Health Department has to issue a permit for things that are not mobile. President McGowen stated that they would have a process to go through to apply for that. Commissioner Graves asked if we have no say in somebody bringing in a bunch of turbines. President McGowen stated that only to the extent that we would evaluate whether that electricity that is being generated by those turbines would have an impact on our distribution or transmission system.

Commissioner Pesce stated that the Board would like to take a tour of xAI. President McGowen stated that we have already made that ask for you.

Chairman Dickson asked President McGowen to address the public's concerns regarding the strain this is going to have on our aquifer versus the use of greywater. President McGowen responded that he would be glad to talk about that. President McGowen reminded everyone how important of an asset our aquifer is and that MLGW is committed to making sure that we are good stewards of that by investing a significant amount of money in the study of the aquifer. President McGowen stated that there is plenty of clean water and we want to keep it that way. President McGowen stated that in the area of this development, we understand from the aquifer study that there is some surface contamination at the Davis Well Field. President McGowen discussed this issue and confirmed that we are monitoring it. President McGowen stated that no contaminants have ever been detected in our drinking water and we intend on keeping it that way. President McGowen stated that the Davis Well Field can produce 30 million gallons of water per day, however, we are only pulling and pushing about 22 to 23 million gallons per day, so not nearly the full capacity. President McGowen provided the Board and the public very detailed information regarding the water supply and demand at the Pigeon Industrial Park, to include xAI, City of Memphis Water Treatment Plant, TVA, and other industrial tenants in that area. President McGowen stated that about six years ago we began the process of examining whether a greywater facility could substitute for aquifer water for cooling and industrial needs. President McGowen stated that when xAI arrived we asked them to participate in that engineering study. President McGowen stated that he is 90% confident that we are going to have to build a system that can serve a majority of the need there. President McGowen stated that the company has said they will build this whether other people participate or not. President McGowen discussed this matter in detail and reassured the Board and the public that we are deeply committed to doing the right thing.

COMMITTEE REPORTS:

Supplier Diversity 2Q '24 - Tamara Pate

Ms. Tamara Pate presented to the Board the 2nd Quarter Supplier Diversity Report. Ms. Pate reported that we continue to grow companies and grow Memphis through our Supplier Diversity Program. Ms. Pate reported that we have procured over \$98,000,000.00 in supplier diversity spend accounting for 39% of MLGW's total procurement spend including over \$44,000,000.00 with minority owned firms, over \$27,000,000.00 with our women owned firms, and over \$27,000,000.00 with our locally owned small businesses. Ms. Pate provided the Board additional information regarding our supplier diversity spend for the second quarter. Ms. Pate reported that our total diversity spend for the second quarter represents approximately 70% of the total division spend being spent here locally with our firms in our community. Ms. Pate mentioned the recent disparity study that was completed stating that a full report and policy changes can be expected in the near future. Ms. Pate informed the Board that this past week, we did an amazing job representing MLGW at the Economic Development Forum as a Gold Sponsor, 2024 Corporation Finalist of the Year, 2024 Rising Star Finalist, along with facilitating this year's workshop "Thriving in Tomorrow,

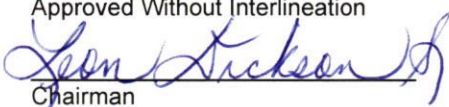
Building Future Ready Businesses Today". Ms. Pate also announced Supplier Diversity's final event for this year, "Boss Moves" is to take place on October 24, 2024, which will include a session with Chief McGowen, a "speed dating" version of business networking, a vendor expo, and the annual Flame and Spark Awards Luncheon. Ms. Pate shared the promotional video for this event. Ms. Pate asked people to vote and register for this event.

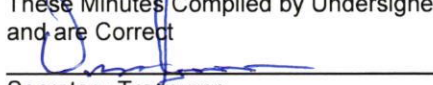
Commissioner Graves asked that the Quarterly Supplier Diversity Report include the number of local employees of these companies have.

President McGowen thanked Tamara Pate. President McGowen mentioned that for the first time at the Boss Moves Event we will be sharing with the companies all the work we are looking to do next year and asking them to gear up and get ready to bid in hopes that we can grow participation that way. President McGowen reported that we have asked our divisions to put together all that they expect to procure and what they expect to build so people can be ready.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:21 a.m. (See Minute File No. 1498)

Approved Without Interlineation

Chairman

These Minutes Compiled by Undersigned
and are Correct

Secretary-Treasurer