



# 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, October 2, 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	Present	
Cheryl Pesce	Board Member	Present	
Carl Person	Board Member	Remote	
Mitch Graves	Board Member	Present	
Leon Dickson	Chairman	Present	
James Lewellen	Advisory Board Member	Present	
John Butler	Advisory Board Member	Present	

**APPROVALS:**

Chairman Dickson

**Motion To:** Approve Minutes from the Meeting of September 18, 2024.

<b>RESULT:</b>	<b>ADOPTED [4 TO 0]</b>
<b>MOVER:</b>	Mitch Graves, Board Member
<b>SECONDER:</b>	Michael Pohlman, Vice Chairman
<b>AYES:</b>	Michael Pohlman, Cheryl Pesce, Mitch Graves, Leon Dickson
<b>AWAY:</b>	Carl Person

Commissioner Person attended remotely, therefore he did not vote.

**CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:**

Dana Jeanes

Acknowledged receipt of Certified Copies of City Council Resolutions dated September 24, 2024, Items 17 through 25. (See Minute File No. (See Minute File No.1498)

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

Chairman Dickson read into record the rules and procedures in regard to any general statements made by the public to the Board..

Sarah Houston - 200 Wagner Place - Executive Director of Protect Our Aquifer - Ms. Houston announced that she had two updates for the Board. The first is that the Shelby County Groundwater Board approved an increase in the permit fees for out spectic and well programs. Ms. Houston states that this has been a collaborative effort between Protect Our Aquifer and the Shelby County Health Department Water Quality Branch. Ms. Houston reported that this is the first time these fees have been increased since they were established thirty-six (36) years ago. Ms. Houston mentioned all the benefits this additional revenue will have. Ms. Houston stated that they next step is for this increase to be approved by the County Commission. Ms. Houston asked for support in that effort and requested anyone to reach out to their County Commissioner to let them know that increasing these fees will be great for our aquifer. Ms. Houston also thanked Quinton Clark for his service on the Groundwater Board and welcomed Kimberly Griswold as she is now the MLGW Representative. The second update Ms. Houston provided was that last night she realized that xAI has actually submitted their engineering design plans for the recycled wastewater treatment plan on the TDEC Website. Ms. Houston stated that this is exciting to see something actually on paper in the public domain that this project is actually moving forward. Ms. Houston stated that there isn't much detail on timeline, financials or partners, but seeing the plans in real life is exciting. Ms. Houston stated that in order to bring it to that 10.4 million gallon a day capacity to actually remove that being pumped from the aquifer and use recycled wastewater, we need to make sure that TVA commits to using this new water source, and hopefully they will stand by their original goal back in 2015 to actually use this recycled water form.

Chet Kibble - 3229 Lakeview Road - Director of the Memphis and Shelby County Lead Safe Collaborative - Mr. Kibble stated that he was excited to learn that a lawsuit had been settled and that the Judge ruled that fluoride does cause harm to the body. Mr. Kibble wanted to know when we are going to turn the fountains back on. Mr. Kibble stated that more information about this can be found on their website "gettheleadoutmemphis.org" Mr. Kibble also mentioned that it is Lead Awareness Month and that they had several events planned for the community. Mr. Kibble invited everyone to get involved. Mr. Kibble stated that his organization has a video he would love to share. Mr. Kibble provided the Board with a handout and stated that they would love to meet with the Board regarding fluoride and lean poisoning.

### **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 124)

**CONSENT AGENDA**

(Items 1 through 9)

**Motion To:** Motion to approve Consent Agenda Items 1 through 9:

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

Commissioner Person attended remotely, therefore he did not vote.

Advisory Board Member James Lewellen - Concurs

Advisory Board Member John Butler Concurs

**Motion To:** Motion to approve Same Day Minutes for Items 1, 6 and 7:

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

Commissioner Person attended remotely, therefore he did not vote.

**PRESIDENT & CEO**

(None)

**SVP, CHIEF OPERATING OFFICER**

(None)

**VP ELECTRIC ENGINEERING & OPERATIONS**

1. Resolution approving a Lease Agreement with Apexus 6400 Shelby L.P. for approximately 15,000 square feet of warehouse space located at 6400 Shelby View Drive in the total funded amount of \$374,592.00. (Quinton Clark) (REQUIRES CITY COUNCIL APPROVAL)
2. Resolution approving Change No. 2 to Contract No. 12302, Substation Engineering Services (Protection) with Fisher & Arnold, Incorporated to renew the current contract in the funded not-to-exceed amount of \$850,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

3. Resolution approving Change No. 2 to Contract No. 12385 (solicited under Contract No. 12302), Substation Engineering Services (Transmission) with Allen & Hoshall, Incorporated to renew the current contract with no increase in the contract value. (Randy Orsby)
4. Resolution approving Change No. 2 to Contract No. 12386 (solicited under Contract No. 12302), Substation Engineering Services (Substation) with Allen & Hoshall, Incorporated to renew the current contract with no increase in the contract value. (Randy Orsby)

**VP WATER & GAS ENGINEERING & OPERATIONS**

5. Resolution approving Change No. 6 to Contract No. 12183, Synergi Gas Modeling Software Renewal with DNV-GL Noble Denton USA, LLC to ratify and renew the current contract in the funded amount of \$39,449.09. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
6. Resolution awarding Contract No. 12540 Master Asphalt Paving Program (Section 2), to VuCon, LLC., in the Funded Amount of \$ 6,860,922.33 (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
7. Resolution awarding Contract No. 12512. Master Asphalt Paving Program (Section 1 & 3), to Lehman Roberts Company, in the Funded Amount of \$ 9,412,639.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

**SVP, CFO & CAO, FINANCE**

(None)

**VP FINANCE & ACCOUNTING**

(None)

**VP & CIO**

8. Resolution awarding a sixty-month purchase order to Tate Computer Systems, Inc. for desktop and laptop equipment in the amount of \$2,501,460.50. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
9. Resolution approving Change No. 10 to Contract No. 10927, Perpetual Licensing Agreement with Precisely Software, Incorporated (previously Pitney Bowes Software, Incorporated) to increase the contract value in the funded amount of \$189,187.20. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

**VP SHARED SERVICES**

(None)

**VP CUSTOMER EXPERIENCE & ENERGY SERVICES**

(None)

**VP CORPORATE COMMUNICATIONS**

(None)

**VP & GENERAL COUNSEL**

(None)

**VP & CPO PEOPLE SERVICES**

(None)

**PRESIDENT'S BRIEFING CONT'D**

**Preliminary 2025 Budget Presentation - Doug McGowen**

President McGowen presented to the Board the proposed Operating and Capital Budgets for 2025. President McGowen stated that there is a proposed increase in the Operating Budget by 3.9% over last year and that increase is due to some changes such as inflation on the things we buy and procure, there is an increase in the pension actuarial, the defined contribution which is a result of five (5) year smoothing, thirty-five (35) new positions, and there is an increased allocation this year over last year for vegetation management. President McGowen stated that the increase in the Capital Budget is attributable to two very large projects, the Allen Water Pumping Station which is a \$90 million dollar multi-year project, and the second is the construction of a 5.6 mile, extra high pressure gas transmission line that will get underway in 2025.

President McGowen gave an overview of the 2025 Budget for Electric as well as the 2025 Budget for Gas and Water. For the Electric Division, you will see that we will continue to increase reliability with aggressive vegetation management and robust preventative management well as continue to modernize the grid. President McGowen made reference to the five (5) year "Way Forward Plan" that began in 2020. President McGowen stated that this is now going to be a regular and recurring part of the way we do business. President McGowen stated that we will continue to have a renewal and replacement plan for infrastructure and we will track our progress for the Board and the public to see. President McGowen reported that we will progress with grid modernization which will yield benefits to our customers for reliability and resilience. The budget also supports the expansion of the electric capacity to serve strategic substation expansion projects to relieve some overloaded and provide additional capacity for new customers. President McGowen stated that the new substations would be complimented by our first ever installation and onlining of battery storage at the utility scale. President McGowen stated that we expect those batteries to come online in 2025. President MCGowen stated that we are looking to get underway with the first phase of the design, acquisition and build out of a brand new, state-of-the-art Nerve Center, which we call the Engineering and Operations Center, formerly called System Operations. This center will control our electric, water and gas systems.

President McGowen stated that we will make a significant investment improving the water productions and water treatment systems by improving filtration at 5 out of our 10 water pumping stations over the next two years. President McGowen also reported that we are going to double the number of wells that we have in production. President McGowen also discussed having a system-wide valve survey. President McGowen reported that thanks to Federal money, in addition to increasing the pace of lead service line replacements on the utility side, we will also be able to begin replacing the private lead service lines for our customers who need assistance.

President McGowen reported that for our Gas Division, the budget allows us to make significant progress in the safety and integrity of our gas distribution systems from improvements at our gate stations and as previously mentioned, a five (5) mile extra high pressure line that is going to be critical to ensure that we have uninterrupted supply of gas to our customers.

President McGowen reported that this year we will break ground and fund the first phase of construction to expand the North Service Center which is something that has been contemplated since 2012. President McGowen reported that this expansion will allow us to house more efficient fleet, heavy equipment, and transformers. President McGowen stated that this will allow us to put the current 126 year old facility known as Central Shops to higher and better use as it is in the medical district right behind Southwest Tennessee Community College.

President McGowen stated that to get this work done, we will need people. President McGowen reported that the proposed Budget funds a full complement of 2,700 full and part-time employees and in an effort to keep us competitive in the competitive labor market by allocating .34% we can provide our non-bargaining unit employees with a 3% raise and our bargaining unit employees with a 3.5% raise to help with inflation.

President McGowen reported that we have significantly improved our reliability and resilience in 2024. We have reduced the average age of our transformers by 26% and the average age of our circuit breakers in substations by 18%. President McGowen stated that when you add those figures along with achieving 118% of our tree trimming goal last year, you will see that reliability is significantly increased over each of the last two years and we are trending toward industry standards. President McGowen reported that the 2025 Budget is going to allow us to continue to make investments that improve reliability and resilience of all of our systems as well as modernize our systems to be ready for the challenges of tomorrow.

President McGowen gave a detailed presentation regarding the plans to improve reliability and resilience.

Dana Jeanes provided detailed information regarding the 2025 Operating and Capital Budgets as well as the schedule for Budget approval.

Commissioner Pohlman asked were we are on units sold each year? Dana Jeanes responded that it is pretty flat, small 1% growth each year, but stated that we could provide some detailed information regarding that. Commissioner Graves asked that the information be broken down by the various municipalities.

Commissioner Pesce asked about the completion of the Allen Pumping Station and also asked about our plans for solar. President McGowen responded.

Advisory Board Member John Butler commended the team for all their hard work on the Budget and the modernization and the infrastructure improvements. Commissioner Butler supports the additional investments for economic development and wanted to make sure that we have thoroughly thought out the impact of the TVA's rate increase as well as the building and the use of a grey water plant. President McGowen responded.

Advisory Board Member James Lewellen asked about the Water Budget and what other income is. Dana Jeanes responded.

Commissioner Graves asked about the water rate increase stating that 15% a year lets him know that we are not doing something right as far as a business model. President McGowen responded.

Chairman Dickson asked if the pole replacement will be wooden or concrete poles. President McGowen responded.

**Debt Obligation Report - Dana Jeanes**

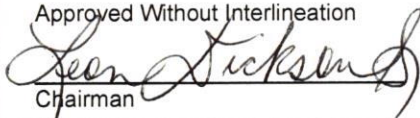
Mr. Dana Jeanes provided to the Board the Debt Obligation Report that we are required to provide to the State of Tennessee in regard to the recent Bond Issuance.

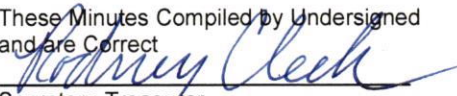
**COMMITTEE REPORTS:**

(None)

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 9:52 a.m. (See Minute File No. 1499)

Approved Without Interlineation  
  
Chairman

These Minutes Compiled by Undersigned  
and are Correct  
  
Secretary-Treasurer  
