



Board of Light, Gas and Water Commissioners

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

Board Meeting ~ Minutes ~

Wednesday, July 17, 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	Board Member	Present	
James Lewellen	Advisory Board Member	Absent	
John Butler	Advisory Board Member	Absent	

APPROVALS:

Chairman Dickson

Motion To: Approve Minutes from the Meeting of July 3, 2024.

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

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE:

Dana Jeanes

Receipt of Certified Copies of City Council Resolutions date July 9, 2024, Items 10 through 38, with Same Night Minutes approved for Items 15 through 38. (See Minute File Nos. 1495 and 1496)

PRESENTATIONS:

(None)

GENERAL STATEMENT(S) FROM THE PUBLIC:

Chairman Dickson welcomed Councilwoman Pearl Walker and Councilwoman Jerri Green.

Keenan Hilson - Did not respond when name was called.

Scott Banbury, 1051 Stonewall Street - Sierra Club - Mr. Banbury mentioned that we would hear a few comments today about people's concerns on the increased load on our system to supply the new xAI Plant. Mr. Banbury encouraged the Board to start looking at what other impacts we might be seeing in terms of our load with other data centers coming to Memphis now that we know our power prices and clean water are desirable. Mr. Banbury mentioned two crypto currency mining operations that are either being built or are already built on South Mendenhall. Mr. Banbury stated that these facilities might be consuming as much as 50 megawatts of power and he cannot say how they are cooling. Mr. Banbury stated that he thought it would behoove the community, this Board, and the City Council to look into how much growth there is in the data center industry in Memphis and what that portends for the future of power availability, reliance, and the use of our aquifer.

John Bruggee, 958 Harbor View Drive - Mr. Bruggee appeared before the Board to voice concerns about loads and overall impact of these large investments that are coming to our city due to the economics of our energy and our water. Mr. Bruggee wants to make sure that things are heavily considered, especially when we are looking in tandem with TVA potential expansion of our gas plant and the pollution of this energy. Mr. Bruggee requested that we look into these investments rather than allowing Memphians to absorb externalities with their health. Mr. Bruggee stated that he would love for us to examine alternatives and solutions that help uplift Memphians in a win-win fashion.

April Bryant - 1932 Swift - Ms. Bryant stated that her address was extremely close to the new plant that may possibly be coming to Memphis. Ms. Bryant stated that she would like MLGW to consider not only the pollution, the air pollution, the water controls, and the citizens that could be exposed to those threats. Ms. Bryant also stated that we need to be concerned with the types of jobs a company will bring to the area. Ms. Bryant informed the Board that she is a manager at a very notable company here in Memphis and she is aware of the job pool and talent pool that we have here. Ms. Bryant asked that MLGW request specific information. Are they engineering jobs? Are they technical jobs? How will the jobs promote and enhance the community and Memphis as a whole? Ms. Bryant stated that as we look to invest in the Riverside Community, we need to make sure we are on solid ground.

Bryan Liledahl - Did not respond when name was called.

Dennis Lynch - 347 North McLean - Mr. Lynch asked what MLGW had done to keep the public informed to meet the commitment that was made at the last City Council Meeting. Mr. Lynch asked what meetings have been scheduled for the Council and the public. Mr. Lynch asked if MLGW had a good forecast of how much energy and water xAI forecast for one month, three months, etc. Mr. Lynch asked several other questions regarding xAI. Mr. Lynch asked is xAI would be charged standard commercial rates for electricity and water as published in the local utilities website. Mr. Lynch asked if there would be some offset and asked that be reported and accounted for separately so it can be audited and understood such as separate line items.

Pearl Walker - 5378 Loch Lomond Road - Councilwoman Pearl Walker stated that there were two ratepayers that were disallowed comment cards even though they stated they arrived prior to 8:30 a.m. Councilwoman Walker asked that they be allowed to speak. Chairman Dickson agreed for the ratepayers to have a chance to speak. Councilwoman Walker went on to stress the importance of public notice, public comments, and public information sessions surrounding the xAI Supercomputer. Councilwoman Walker informed the Board that the City Council is receiving a lot of questions and a lot of communication surrounding xAI. Councilwoman Walker stated that people are afraid of what's going to happen with the water and the energy supply. Councilwoman Walker stressed the need to really dig in and ask all the questions to make sure this is a good deal for Memphis. Councilwoman Walker stated that we need to take this as an opportunity to create a wonderful sustainable future for Memphis. Councilwoman Walker mentioned that Elon Musk does so much with batteries and battery storage. Councilwoman Walker recommended that everyone Google Elon Musk and his battery storage.

Paul Klein - 1841 Black Bear Circle E. - Co-Chair the Climate Reality Projects Memphis Chapter - Mr. Klein stated that no one should have to worry about their water or the air their children breathe, but that in today's world because of fossil fuel and systemic racism, that is reality. Mr. Klein stated that black people are 75% more likely than white people to live in fence line communities close to oil, gas and energy facilities as they do in South Memphis. Mr. Klein provided the Board with lots of statistical information. Mr. Klein mentioned that MLGW announced at the City Council meeting that MLGW learned of xAI in March, however, nothing was made known to the public until June. Mr. Klein stated yet MLGW had not informed the neighbors of the impacts on the air they breathe, the water they drink, and the electric grid. Mr. Klein stated that the public should be informed and involved on projects that will hugely impact their communities, not learning after the fact about backroom deals that were made. Mr. Klein found it unbelievable that the MLGW Board of Commissioners nor the City Council have been involved until near completion. Mr. Klein has stated that he has now learned that TVA's Board has a role in approving this deal with xAI while MLGW Board Members and the City Council do not. Mr. Klein urged the Board to require more transparency from xAI, that xAI pay its own way without MLGW subsidies, that they use clean, renewable energy rather

than fossil fuels, and that they rely on reclaimed wastewater mitigating impacts on our Davis Well Field drinking water infrastructure.

Sarah Houston - Executive Director of Protect Our Aquifer - 200 Wagner Place - Ms. Houston first provided the Board with a brief update from the Shelby County Groundwater Board Meeting that was held last month. Ms. Houston then went on to discuss xAI. Ms. Houston stated that xAI appears to be an excellent catalyst for building this water reuse facility that Protect Our Aquifer has been a big advocate for, so they appreciate President McGowen staunch support for this. Ms. Houston supported not drilling a well into the aquifer and getting xAI off of Davis Well Field. Ms. Houston reported that Protect Our Aquifer is not against public and private partnerships but stated that this deal needs to be done with the benefit of the utility, the community and the ratepayers in mind. Ms. Houston stated that we need to be thinking about how this asset can be maintained and operated in a perpetuity based on this financial structure. Ms. Houston stated that we need to ensure that TVA formally commits to using this water reuse facility because the deal won't work without them having a buy-in in this agreement. Ms. Houston stressed the need for the Board and the community to be involved in the contract for the water facility for xAI. Ms. Houston stated that there needed to be transparency and that MLGW needed to make efforts to regain the trust of the residents in the Boxtown area.

Latricea Adams - 655 South Riverside Drive - Ms. Adams thanked Councilwoman Walker for acknowledging her rights as a citizen and a ratepayer. Ms. Adams informed the Board that she was part of a multi-generational family from South Memphis as well as a White House Environmental Advisory Council Appointee and Founder and President of the civil rights and environmental justice organization, Young, Gifted and Green. Ms. Adams stated that as a national advisor for the Federal Executive Branch on environmental justice issues that it was a bit disheartening and embarrassing that the xAI project stakeholders did not engage the community directly, nor any local environmental justice experts which you have heard from today. Ms. Adams stated that Memphians who are directly impacted deserve straightforward answers about xAI's impact on our shared resources and at a minimum a public hearing that allows for public comments and Q & A facilitated by MLGW and all other applicable stakeholders. Ms. Adams stated that this should take place within at least two weeks from today. Ms. Adams stated that MLGW must learn about the 17 principles of environmental justice, enhance transparency, engage the public, and seek to serve the best interest of the ratepayers.

Aaron Lewis - 3820 Treasure Hills Cove - Local Representative of the Southern Alliance for Clean Energy - Mr. Lewis stated that both MLGW and TVA were a result of Tennessee being delivered to President Roosevelt. Mr. Lewis also mentioned the Mr. Edward Hull Crump who made MLGW was known to bring in Klansmen for Memphis Government. Mr. Lewis thought it was important to know the origin of MLGW. Mr.

Lewis stated that MLGW was being run like a capitalist enterprise. Lastly, Mr. Lewis mentioned privatizing MLGW for the benefit of the customer.

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 86)

CONSENT AGENDA

(Items 1 through 7)

Motion To: Approve Consent Agenda Items 1 through 7

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

Motion To: Same Day Minutes for Item 7

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

Commissioner Person asked for confirmation that we have reached out and searched for MWBE Companies to contract with. Mr. Randy Orsby responded.

PRESIDENT

(None)

SVP, CHIEF OPERATING OFFICER

(None)

VP ELECTRIC ENGINEERING & OPERATIONS

(None)

VP WATER & GAS ENGINEERING & OPERATIONS

1. Resolution awarding Contract No. 12480, Overhead Storage Tank Painting for Arlington Standpipe, Casper Creek, Cloverhaven, Gallagher, Palmer, and Redwood to G & L Tank Sandblasting and Coatings, LLC in the funded amount of \$2,344,410.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
2. Resolution approving Change No. 2 to Contract No. 12240, Overhead Water Storage Tank Painting Inspections with Mid-South Tank Consultants to change the scope, extend the term and increase the current contract value in the funded not-to-exceed amount of \$511,300.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

SVP, CFO & CAO, FINANCE

3. Resolution approving the issuance of, and recommending to and requesting that the City Council issue and sell, through negotiated sale, not to exceed \$200,000,000 principal amount of, Electric System Revenue and Revenue Refunding Bonds, Series 2024, pursuant to the Electric System Revenue Obligations Master Resolution, adopted by the Board on June 20, 2002 and by the City Council on July 2, 2002, as amended and supplemented by the Tenth Supplemental Resolution. (Dana Jeanes) (REQUIRES CITY COUNCIL APPROVAL)

VP & CIO

4. Resolution approving Change No. 2 to Contract No. 12518 (formerly Contract No. C2499), Trend Micro Site Bundle with Unistar-Sparco Computers, Inc. to renew the contract in the funded amount of \$312,561.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
5. Resolution awarding Contract No. 12522 (formerly Contract No. C2728), Solarwinds' Enterprise Hybrid Cloud Observability (HCO) and Supporting Modules to Insight Public Sector, Inc. in the funded amount of \$150,303.24. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)
6. Resolution ratifying the award of Contract No. 12521 (formerly Contract No. C2707), Serena Business Manager Maintenance to Visionary Integration Professionals, LLC in the funded amount of \$231,245.73. (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

7. Resolution approving an annual salary in the amount of \$171,000.00 for a candidate for the position of Director of Safety. (Doug McGowen & Jacqueline Jones) (SAME DAY MINUTES REQUESTED) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT'S BRIEFING**MLGW Metrics report 2Q'24 - Valerie Overton**

Ms. Valerie Overton provided the Board with a Quarterly Performance Metrics review. Ms. Overton provided to the Board information on Call Center response times, Customer Service Field Operations and Customer Service at the Community Offices. Ms. Overton gave an update on the "Share the Pennies" Program, delayed bills, streetlights, customer & residential engineering, reliability which includes tree trimming, replacing outdated infrastructure, and grid modernization. Ms. Overton provided information on gas infrastructure improvements and water infrastructure improvements. Ms. Overton provided the provided year-to-date income information for Electric, Gas and Water. Ms. Overton also provided the total capital spend, annual rate survey, and supplier diversity spend. Ms. Overton provided an update on employment matters and safety.

Commissioner Person asked if we survey our customers at the end of their call to us. Mr. Kenneth Culp responded stating that we do randomly survey every fifth caller, but he did not have that data. Commissioner Person asked Mr. Culp to gather that information for the next Board Meeting stating that we need to do our own internal measuring and monitoring as well as hear the feedback from the ratepayers.

Ms. Valerie Overton stated that we did do some external surveys in the past but had some issues with the contractor. Ms. Overton stated that we have been coordinating with them to get that survey off the ground as that is something that we would like to incorporate as part of the customer metrics performance.

Commissioner Pesce mentioned that she read an article stating that Memphis is number 2 in the nation for the amount that minorities spend on their utilities. Ms. Overton responded stating that she has seen information discussing energy burdens and that this is something that we are looking into with our MLGW 2045 planning. Commissioner Pesce stated that she would like more information on this.

The Metrics Performance data can be viewed at www.mlgw.com.

Other - Doug McGowen

Mr. Timothy Davis - Meter-to-Cash Update - Mr. Davis gave a detailed presentation regarding our meters, how other utility companies are doing with their meters and billing, and our plans to gain a more efficient meter-to-cash process. Mr. Davis discussed AMI and AMR metering. Mr. Davis informed the Board that there are only eight major smart meter vendors and that many of the parts for the meters are not interchangeable. Therefore, if you purchased a meter from one of the eight major manufacturers, you must go back to that manufacturer for the parts if there is failure. Mr. Davis stated that at MLGW we use Honeywell and Elster American Meters. Mr. Davis shared articles of utility companies having billing issues all over the world and various obstacles that are faced in the meter-to-cash process. Mr. Davis gave detailed information as to the process of Advanced Metering Infrastructure (AMI). Mr. Davis states that 1,000 things must happen correctly for a bill to be generated. Mr. Davis spoke of our twenty-five-year-old customer information system. Mr. Davis stated that this is an important matter to MLGW and as such, we have moved significant resources to address people, process and technology issues. Mr. Davis mentioned that we have had customer communications, community outreaches and engagements, as well as we now have a cross functional team that meets weekly which includes our executives and our president. Mr. Davis stated that we have also established a new customer advocacy officer to accelerate customer escalation resolutions. Mr. Davis stated facts about what happened to cause so many delayed and held bills and then stated MLGWs plans to fix the issues.

Several Commissioners asked questions of Mr. Davis.

President McGowen addressed the public comments regarding xAI. President McGowen stated that we have heard the City Council's desire for a public meeting regarding xAI. President McGowen confirmed that our team is working on how and where to do that in a way that is has the most impact. President McGowen stated that we have had a Community Advisory Council Meeting, and we will have another one tomorrow. President McGowen reported that we have also had a Neighborhood Advisory Council meeting and will have another one of those this month. President McGowen wanted everyone to remember that xAI is occupying a facility that was already built and is making use, for the most part, the utility services that were already in existence. President McGowen confirmed that they are using gas, water and electric services that were already there. President McGowen did mention that they have requested more power, so we have to figure that out.

President McGowen mentioned that he and his team will be meeting with the Big 8 Utilities in Tennessee to discuss recent information about what happened in the Houston Area where there were more than two million people that lost power there, and fifty thousand are still out. President McGowen stated that we will be looking to see if there is anything we can do to improve our readiness.

President McGowen referenced the presentations made by Valerie Overton and Timothy Davis and assured the audience that reliability is job number one. President

McGowen stated that taking your phone calls and answering questions when you need us, delivering an accurate bills each and every month, recruiting and retaining qualified staff, showing up at your home for appointments, the reliability of our utility service in spite of aging infrastructure, increasingly extreme and severe weather, and significant increasing demands are all things that can affect reliability. President McGowen discussed replacing our outdated infrastructure and tree trimming. President McGowen stated that we are on pace to exceed our 1,400-mile goal for tree trimming for the first time in 27 years. President McGowen stated that our plan in investments in infrastructure and tree trimming is working.

Commissioner Graves asked a few questions regarding xAI and TVAs involvement. Commissioner Graves asked President McGowen to request that TVA start their quarterly updates to the Board again.

Commissioner Pesce requested public sessions with special emphasis on how it affects Southwest Memphis if it does at all.

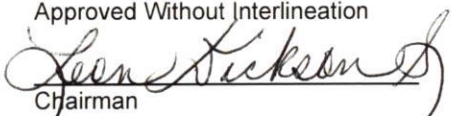
Chairman Dickson thanked all the individuals from the public that spoke at today's meeting for doing so and let them know that their concerns did not fall on deaf ears.

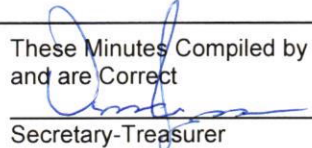
COMMITTEE REPORTS:

(None)

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:30 a.m. (See Minute File No. 1496)

Approved Without Interlineation

Chairman

These Minutes Compiled by Undersigned
and are Correct

Secretary-Treasurer