



Board of Commissioners
Special Called Meeting Agenda
Tuesday, August 30, 2022, 5:30 PM
City Hall, Lakeland, Tennessee 38002

- I. CALL TO ORDER BY MAYOR:
- II. INVOCATION:
- III. PLEDGE:
- IV. ROLL CALL BY RECORDER:
- V. PUBLIC HEARING:
- VI. TREASURER'S REPORT:
- VII. REPORTS FROM COMMITTEES, MEMBERS OF THE BOARD OF COMMISSIONERS & OTHER OFFICERS:
- VIII. PUBLIC COMMENTS:
- IX. SEWERAGE COMMISSION BUSINESS:
- X. CONSENT AGENDA:
- XI. REGULAR AGENDA:
 1. **Resolution** - by and among the Town of Arlington; City of Bartlett; Town of Collierville; City of Germantown; City of Lakeland; and the City of Millington, located in Shelby County Tennessee in support of the continued supply of electrical power from the Tennessee Valley Authority to MLGW customers and fair ratepayer representation on the MLGW Board of Commissioners. *Sponsored by Mayor Cunningham*
- XII. ANNOUNCEMENTS:
- XIII. ADJOURNMENT:

RESOLUTION R-92-2022

A RESOLUTION BY AND AMONG THE TOWN OF ARLINGTON; CITY OF BARTLETT; TOWN OF COLLIERVILLE; CITY OF GERMANTOWN; CITY OF LAKE LAND; AND CITY OF MILLINGTON, LOCATED IN SHELBY COUNTY TENNESSEE IN SUPPORT OF THE CONTINUED SUPPLY OF ELECTRICAL POWER FROM THE TENNESSEE VALLEY AUTHORITY TO MLGW CUSTOMERS AND FAIR RATEPAYER REPRESENTATION ON THE MLGW BOARD OF COMMISSIONERS

WHEREAS, it is incumbent upon residents of municipalities and their duly elected representatives to advocate for uncompromised service, capital infrastructure resiliency, and fair representation on local and regional utility boards and commissions; and

WHEREAS, the foundation of governing requires equal protection, due process, and fair representation for citizens of an incorporated municipal unit, and these same principles should also be recognized for ratepayers of a local or regional utility; and

WHEREAS, ratepayers from rural, suburban, and urban portions of Shelby County deserve needed investment in current on-going maintenance, deferred maintenance, capital investment and system improvements by our regional utility; and

WHEREAS, Memphis, Light, Gas and Water (MLGW) ratepayers should have the faith and confidence in their public utility to deliver a fair, stable, and sustainable utility rate, provide reliable and consistent service, address capital maintenance and infrastructure improvements routinely, and assure fair representation at the governing level for all ratepayers; and

WHEREAS, upon research, review and due diligence conducted by the municipalities of Arlington, Bartlett, Collierville, Germantown, Lakeland, and Millington, the aforementioned fully support remaining with the Tennessee Valley Authority (TVA) as the primary energy supplier for MLGW and its customers; and

WHEREAS, the TVA should be encouraged and resolved to deliver enhanced services, pricing, incentive programs and grants to the entirety of the Memphis MSA and surrounding municipalities; and

WHEREAS, there is also unanimous support from said Shelby County municipalities for the expansion of the MLGW Board of Commissioners to include fair representation.

NOW, THEREFORE, BE IT RESOLVED, that the Shelby County municipalities of Arlington, Bartlett, Collierville, Germantown, Lakeland and Millington, and their corresponding Boards of Mayor and Aldermen and Boards of Commissioners and their respective ratepayers should have the faith and confidence in their public utility to deliver a fair, stable, and sustainable utility rate, provide reliable and consistent service, address capital maintenance and infrastructure improvements routinely, and assure fair representation at the governing level for all ratepayers; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Shelby County municipalities of Arlington, Bartlett, Collierville, Germantown, Lakeland and Millington, and their corresponding Boards of Mayor and Aldermen and Boards of Commissioners, fully support and advocate for the continued partnership with and supply of electrical power from the TVA, and also call for fair and balanced ratepayer representation on the MLGW Board of Commissioners.

PASSED AND ADOPTED by the Board of Mayor and Aldermen and Board of Commissioners of the respective municipalities enumerated herein this 30th day of August, 2022.

Mayor Mike Wissman
Town of Arlington, Tennessee

Mayor A. Keith McDonald
City of Bartlett, Tennessee

Mayor Stan Joyner
Town of Collierville, Tennessee

Mayor Mike Palazzolo
City of Germantown, Tennessee

Mayor Mike Cunningham
City of Lakeland, Tennessee

Mayor Terry Jones
City of Millington, Tennessee

Executive Summary

MLGW & TVA

Memphis Light, Gas and Water (MLGW) is the nation's largest three-service municipal utility, serving more than 440,000 customers throughout the Memphis and Shelby County region through the delivery of electricity, natural gas and water service. As a Division of the City of Memphis, MLGW is governed by a five-member Board of Commissioners who are nominated by the Mayor of Memphis and confirmed by the 13-member Memphis City Council. The MLGW President and CEO, who is responsible for the day-to-day operations of the utility, is also appointed by the Mayor of Memphis and approved by the Memphis City Council. The Memphis City Council alone is the rate-setting body for the regional utility provider.

As the region's electrical power distributor, MLGW has sourced its electricity from the Tennessee Valley Authority (TVA), a federal agency that sells electricity on a nonprofit basis, for more than 80 years. MLGW is TVA's largest customer, representing 11% of TVA's total load. At the direction of the MLGW governing body, Memphis Light, Gas and Water (MLGW) is currently in the process of working on Requests for Proposals (RFPs) for electric transmission, thermal generation and renewable power supplies in an effort to ensure the most reliable and affordable power available – per the MLGW website (www.mlgw.com).

Suburban position on MLGW replacing TVA as the region's power supplier

Leaders within Memphis' suburban communities have expressed concerns about MLGW's recent efforts to potentially replace TVA as the region's electrical power supplier. Although approximately one-third of MLGW ratepayers live outside of the City of Memphis, suburban input regarding these efforts, and other MLGW matters from time to time, are not fully-represented among the decision-makers on the utility's governing body.

Suburban leader's concerns with MLGW's alternative supplier(s) efforts fall within four general categories: (1) ensuring long-term rate affordability and stability; (2) the reliability of supply and distribution; (3) a commitment to reinvestment in critical infrastructure throughout the entire distribution system; and (4) proper representation of all utility ratepayers on the utility's governing body.

Rate	Long-term rate stability and evidenced assurance to sustain low utility supply rates for residential and commercial rate payers
Reliability	Demonstrating a strategic emphasis to build resilient systems in order to deliver utility services with uncompromised reliability
Reinvestment	Infrastructure reinvestment in MLGW's existing distribution network is long overdue. Many neighborhoods have 40+ year old utility distribution systems which are past equipment life-spans, requiring much needed maintenance and replacement. MLGW's top priorities should be to address deferred maintenance, invest in system upgrades, and modernize existing capital infrastructure to improve service delivery.

Representation The current system of MLGW board governance lacks a fair and balanced distribution of ratepayer representation from the entire MLGW service area. Full voting rights on the MLGW Board of Commissioners granting the authority and responsibility associated with full voting rights should consider MLGW's geographic boundaries. As the review and vetting process continues to move forward, the opportunity to expand ratepayer representation to the extended utility coverage area is imperative.

- Significant risk with investing 1.5 – 2 billion in projected power generation and transmission system infrastructure in moving to the open market at the possible curtailing much needed deferred and current maintenance, all subsidized by urban, suburban and rural ratepayers without the fundamentally grounded rate payer equal representation.
- Reward (savings) projected by independent 3rd party contracted consultant has projected savings of 25-55 million in anticipated annual savings. Best case scenario 1.5 billion/55million = 27.3 year break-even point excluding any funding for on-going and deferred maintenance or capital investment.
- Free Market/Open Market vs. Quasi-Governmental and regulated TVA is the essential cost benefit analysis. Spot market volatility vs. substantially set contract.
- Need for TVA to place substantial investment in the Memphis MSA to include municipal specific energy-saving programs and governmental grants for energy reduction, efficiency and service resiliency. Enhanced programs and investment for residential and commercial rate payers.
- Support MLGW board expansion driven by our local utility or by associated state code brought through the Tennessee General Assembly.