

Ordinance No. _____

ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF MEMPHIS, CHAPTER 2-16., CITY REAL PROPERTY MANAGEMENT, TO REQUIRE THAT ANY CONTRACTS FOR THE MODIFICATION OF CITY-OWNED PROPERTY THAT IS LEASED TO ANY UNAFFILIATED NONPROFIT ORGANIZATION, WITH A COST IN EXCESS OF \$1,000,000, BE PRESENTED TO THE MEMPHIS CITY COUNCIL FOR APPROVAL

WHEREAS, the Memphis City Council is committed to the growth and development of the City of Memphis, and maintains its support of the continuous improvement and maintenance of City-owned properties; and

WHEREAS, the Memphis City Council recognizes that its commitment to the City's growth includes the responsibility to consider the needs of the properties and residents that surround such developments; and

WHEREAS, the Memphis City Council understands that improvements to any City-owned property will affect the surrounding areas, and wants to ensure that such improvements are made known to the local residents and are done in consideration of the needs and desires of that community; and

WHEREAS, Chapter 2-6- 1. of the Code of Ordinances of the City of Memphis grants the Memphis City Council with the power to authorize contracts entered into by the Mayor; and

WHEREAS, the Memphis City Council seeks to utilize that authority to require that contracts for the modification or improvement of City-owned property that is leased to any nonprofit entity that is unaffiliated with the City of Memphis receive prior authorization from the Council when the cost of the improvement or modification is in excess of \$1,000,000.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS, that

Section 1. Chapter 2-16., City Real Property Management, of the Code of Ordinances is hereby amended to add the following provision:

Sec. 2-16-3. Improvement or Modification to City-owned Property.

A. Property Leased to Nonprofit Entities

Any real property that is owned by the City of Memphis that has been leased to, or is otherwise occupied by, a nonprofit organization that is not affiliated with the City of Memphis, or is not under the sole supervision and control of the Mayor, shall not enter into an agreement regarding the improvement or modification of such land, building, or facility without prior authorization of

the Memphis City Council if the cost associated therewith is in excess of one million (\$1,000,000) dollars.

Section 2. Severability. The provisions of this Ordinance are hereby severable. If any of these sections, provisions, sentences clauses, phrases, or parts are held unconstitutional or void, the remainder of this Ordinance shall continue in full force and effect.

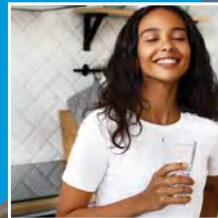
Section 5. Effective Date. This Ordinance shall take effect from and after the date it shall have been passed by the Council, signed by the Chairman of the Council, certified and delivered to the Office of the Mayor in writing by the comptroller and become effective as otherwise provided by law.

Chairman:
Martavius Jones



MLGW

SERVING YOU IS
WHAT WE DO



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2023 Budget

Board Approved
October 26, 2022

GHT	254	550	254	274	154
RDW	650	220	775	273	825
TRG	241				954
RTG	254				125
WEF	784		124		741
HRT	453		15		741



The MLGW Board of Commissioners & Advisory Board Members



Chairman Mitch Graves



Vice-Chairman Leon Dickson Sr.



Commissioner Carl Person



Commissioner Cheryl Pesce



Commissioner Michael Pohlman

Advisory Board Member (Vacant)

Advisory Board Member (Vacant)



Board of Commissioners and Senior Leadership Council

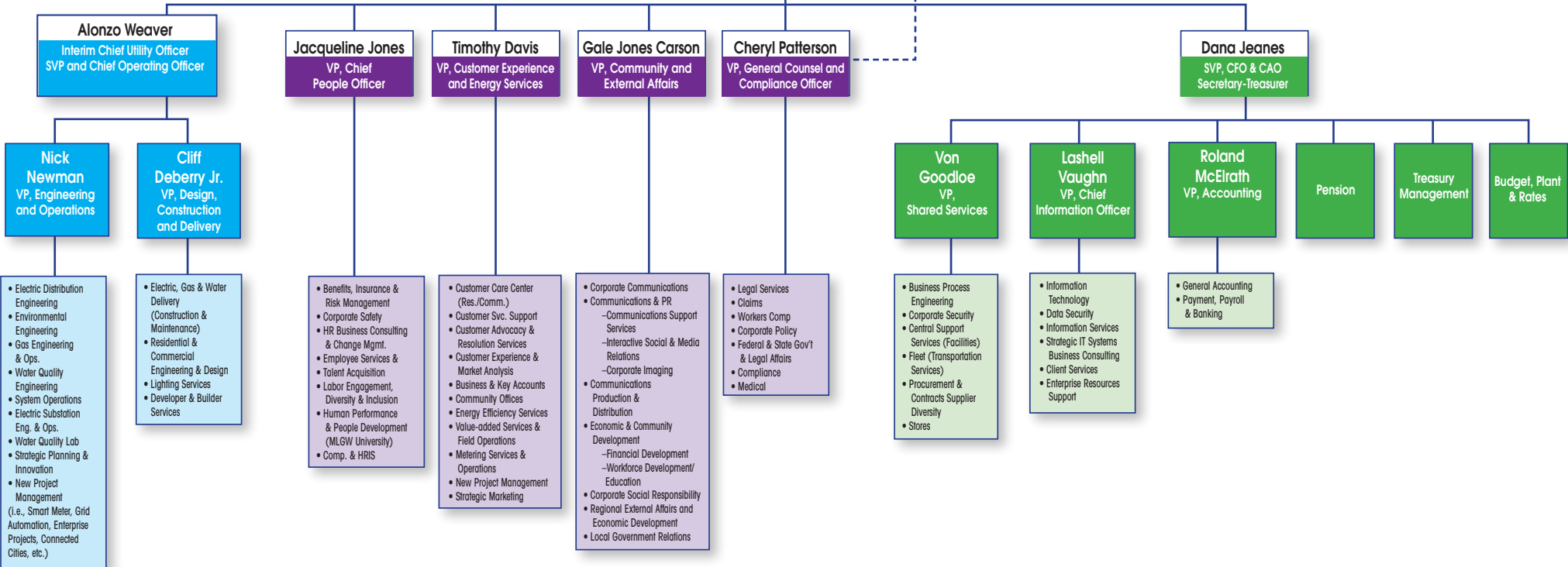


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How to Read the Budget

INTRODUCTION

We are pleased to submit the 2023 Budget of Memphis Light, Gas and Water Division (MLGW) as required by Memphis City Ordinance #3509. This Budget has been prepared in compliance with this ordinance, which requires conformity to the Federal Energy Regulatory Commission (FERC), the regulations of any other applicable regulatory body, and in accordance with the provisions of the bond resolutions approved by the Memphis City Council.

Memphis Light, Gas and Water Division's accounting and financial practices conform to generally accepted accounting principles (GAAP), under the rules and regulations of the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

Memphis Light, Gas and Water Division was created by an amendment to the City Charter, adopted March 9, 1939. MLGW operates three separate utilities, as divisions, providing electricity and gas in the City and Shelby County. Water service is provided by MLGW in the City and, together with other municipal systems, in Shelby County. Each division operates as a separate entity for accounting and financial purposes pursuant to the City Charter. For economic reasons, activities common to all three divisions are administered jointly and costs are prorated among the divisions. The 2023 operating and capital budgets are developed simultaneously and are presented together in a combined budget. In this manner, MLGW can accomplish personnel planning and allocate resources to ensure the achievement of each strategic organization of focus.

THE BUDGET PROCESS

Memphis Light, Gas and Water Division develops the operating and capital expenditure budgets annually to coincide with its fiscal year, which extends from January 1 to December 31. The budget process begins early in the year that precedes the fiscal year for which the budget will take effect. The entire process continues for several months until final approval is obtained by the Memphis City Council.

At the onset of the process, a budget schedule is created to establish the critical deadlines for activities necessary in producing the final approved budget document. Some of the budget calendar events include planning meetings, multiple budget training sessions, capital project budget meetings and equipment budget meetings, all of which are completed before the end of June.

During July through August, requests for the upcoming budget year are submitted by organization supervisors and managers. The vice presidents are then responsible for reviewing the proposed budget and making necessary adjustments.

The proposed budget goes through several stages of formal review and approval before being finalized. The initial level of approval occurs during mid-August through early October by the members of MLGW's executive staff. A preliminary budget document is subsequently

How to Read the Budget

developed and presented to the MLGW Board of Commissioners for review and approval in October with the final budget approved by the Memphis City Council scheduled in November.

CONTENTS OF THE BUDGET DOCUMENT

This Budget document begins with the Budget Highlights which offers a summary of Total Operating Revenue, Total Operating Expense, Operating Income (Loss), Change in Net Position and the Capital Program for each Division. The information provided in the remaining sections of the Budget document is detailed below.

ALL DIVISIONS

This section supplies a comparison of the Electric, Gas and Water Division's Income, Expense & Change in Net Position and Capital Expenditures Budget for the 2023 Budget.

ELECTRIC

The first page of this section (Page E4) is the *Income, Expense, and Changes in Net Position Comparison* for the Electric Division. It provides a side-by-side view of the 2021 Actual Expenditures, 2022 Budget and the 2023 Budget.

The last column contains a Reference Number that can be cross-referenced with the Appendix, which provides a brief explanation or description of that specific line item; for example, Sales Revenue has a reference number of 4-1. The Appendix includes notes for 4-1 on page A2 stating that "this account includes projected revenue from the sale of electricity to the residential, commercial, industrial, outdoor lighting and traffic signal and interdepartmental customer classes."

The next three pages (4a-4c) provide the detailed account information for each of the line items presented on page 4; for example, the four specific accounts for non-Sales Revenue are Forfeited Discounts, Miscellaneous Service Revenue, Other Operating Revenue and Rent from Gas/Water Property. The sum of these four accounts (Total non-Sales Revenue) is rolled up to page 4. The detail account information provides a comparison of the 2022 Budget, 2023 Budget and the difference between the 2022 Budget and 2023 Budget.

Next is the *Source and Application of Funds*, which includes reference numbers that correlate to the Appendices which provide a description of each line item.

The *Capital Expenditures Comparison* (page 6) gives a comparison of the 2021 Actual, 2022 Budget and the 2023 Budget. Again, the last column is the Reference Number that can be used to look up explanations of each line item. The next five pages (7-11) provide information by project for each of the major line items on page 6. Each project listed has the amount that will be spent in the Budget year. Every project has a reference number that can be used to find a description of the project in the Appendix.

How to Read the Budget

The last page of this section is the *Capital Carryover Summary*. Carryover dollars are funds that were budgeted in the previous year that were not utilized due to delays in projects, shortage of resources or commodities ordered but not received. These dollars are a component of the 2023 Budget figures.

GAS

The Gas Division section is set up in the same format as the Electric Division: *Income, Expense, and Changes in Net Position Comparison for the Gas Division; Sources and Applications of Funds; Capital Expenditures Comparison; and the Capital Carryover Summary*. Please refer to the Electric description above for information on how to read these sections.

WATER

The Water Division section is set up in the same format as the Electric Division: *Income, Expense and Changes in Net Position Comparison for the Water Division; Sources and Applications of Funds; Capital Expenditures Comparison and the Capital Carryover Summary*. Please refer to the Electric description above for information on how to read these sections.

CAPITAL IMPROVEMENT PLAN

This section presents the Division's 5-year capital improvement plan for the Electric, Gas, and Water Divisions' infrastructure by work order type (WOT).

APPENDIX

This section presents a definition and/or explanation of specific line items referenced throughout the Budget document. Each page includes a heading stating what page the information is referencing. For example, Page A1 has a heading of "Notes for Page 3 – Capital Expenditures Budget". This means that the notes for Page 3 begin here and each line item on page three is defined.

The Appendix also includes a Glossary that defines acronyms and other terms commonly used throughout this Budget document.



MEMPHIS LIGHT, GAS AND WATER DIVISION

Memphis Light, Gas and Water is owned by the City of Memphis and is the nation's largest three-service municipality in the United States with more than 440,000 customers. MLGW operates three separate utilities, as divisions, providing electricity and gas in the City and Shelby County and water to the City in conjunction with other municipal systems in Shelby County. Memphis Light Gas and Water provides electricity to over 440,000 electric customers, over 314,000 gas customers, and water to over 258,000 customers.

Memphis Light, Gas and Water receives electricity from the Tennessee Valley Authority (TVA) and represents approximately 11 percent of TVA's total electric power load. Memphis Light, Gas and Water acts as a pass through of the electric rates, therefore, not realizing any profit on the sale of electricity.

Memphis Light, Gas and Water provides natural gas to its customers via 3 natural gas pipelines. MLGW buys natural gas from a variety of natural gas suppliers in a mixture of monthly, daily, seasonally, and long-term contracts while hedging gas purchases to manage the price risk associated with the market price volatility of natural gas.

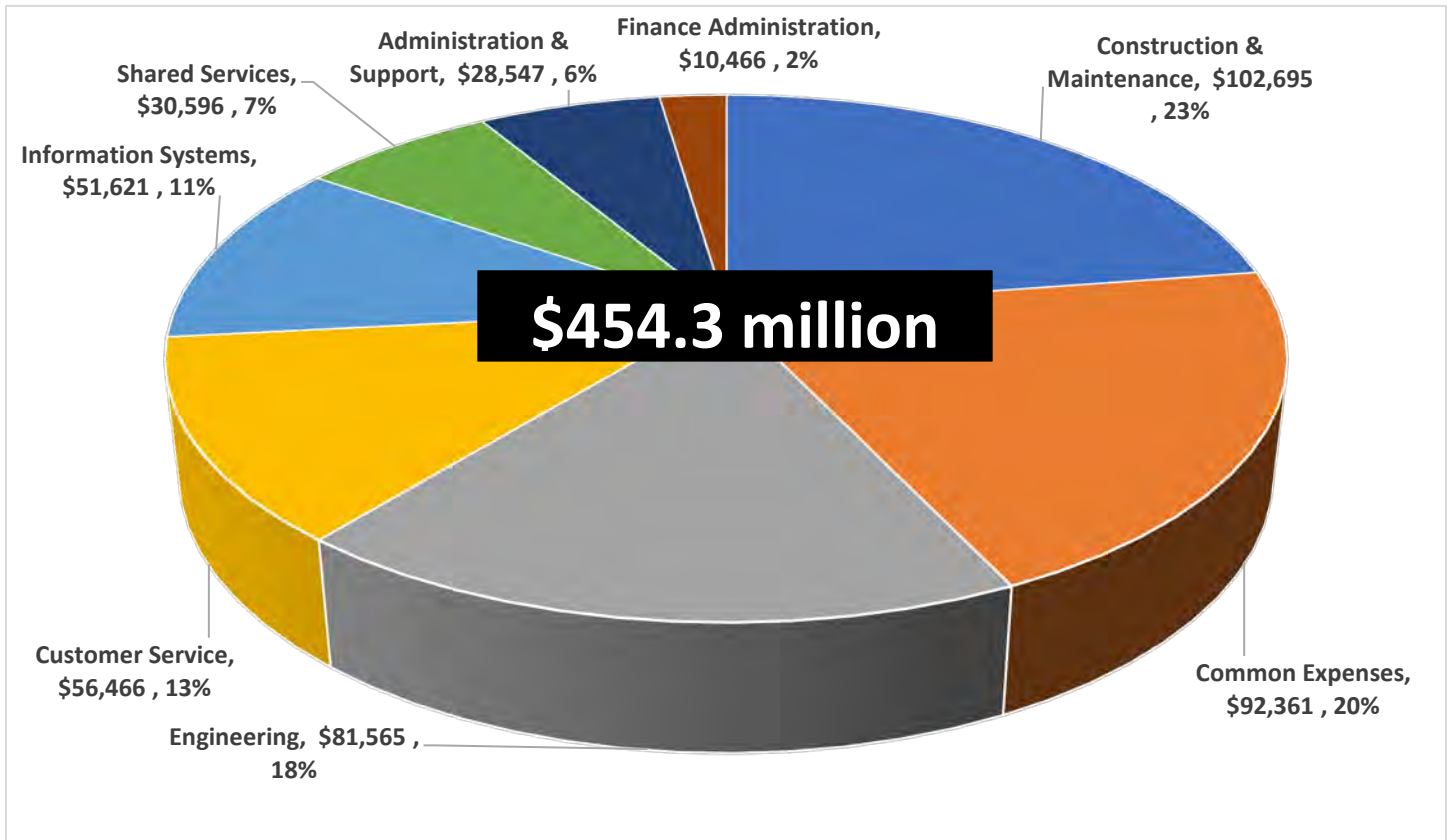
While some utilities obtain drinking water from surface lakes or rivers, MLGW supplies water from the Memphis aquifer, beneath Shelby County. The Memphis aquifer is a treasure to the Memphis and Shelby County areas. The Memphis aquifer contains more than 100 trillion gallons of water that are more than 2,000 years old. MLGW operates this artesian well system by utilizing pumping stations and wells to deliver water to its customers.

Memphis Light, Gas and Water is comprised of various organizations and disciplines to ensure safe, reliable, and friendly service to our customers. MLGW is led by the President & CEO with oversight provided by the MLGW Board of Commissioners. Memphis Light Gas and Water's leadership has a strong affinity for safety and customer services. The Division's leadership principles are exuded through the leadership team. MLGW leadership is comprised of the Senior Leadership Committee who oversee the daily operations of the Division.

It takes a lot to operate a utility of this magnitude. Many think of the Division in terms of utilities only; however, daily operations include internal auditing, legal counsel, communication of community and external affairs, finance, information services and technology, human resources, engineering, construction, and customer services.

Memphis Light, Gas and Water develops the operating and capital expenditure budgets annually to coincide with its fiscal year. The annual budget considers the needs of the Division's operational units to assist the utility in its mission, *"To safely deliver services that create and sustain superior customer experiences"*. The graph below depicts each operational unit's contribution to the operating and maintenance budget of the utility and is followed by an executive summary of the utility's leadership.

2023 Operations & Maintenance Budget by Organization

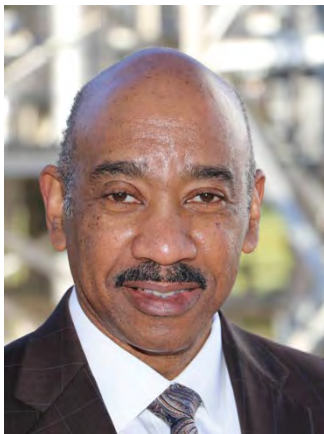




Mr. Graves Graves, Interim President and Chief Executive Officer, Mr. Graves has been with West Cancer Center since 2019 and has over 30 years in healthcare leadership positions. Prior to joining West, he was CEO of HealthChoice, LLC. Mr. Graves currently serves as the board chairman and Interim President & CEO for Memphis Light, Gas and Water, as well as serving as board member for Qsource and Grace St. Luke's School Alumni. Additionally, Mr. Graves serves on the Church Health Center's finance committee and is a member and former board Vice President of the Economic Club of Memphis. At the local level, Mr. Graves has previously served on the boards of Christian Brothers University (Chairman), United Methodist Neighborhood Centers (Chairman), Revenue Assurance, Precision Infusion, Alliance Health Service, Community Care Associates, First Eight Memphis, and Methodist Federal Credit Union. On a national level, he previously served as a member of United Healthcare's Executive Advisory Council and Cigna's National Health Care Advisory Council. As a life-long Memphian, Mr. Graves has always been active in his community. In 2015, he served as co-chairman of Memphis Mayor Jim Strickland's transition team. In 2018, Mr. Graves was nominated and selected for Leadership Tennessee's Class VI which he completed in 2019. Mr. Graves graduated from Christian Brothers University with a Bachelor of Science degree in business administration with a concentration in finance and economics. He was awarded Christian Brothers University's Distinguished Alumnus Award in 2012 and later became the university's Chairman of the Board of Trustees in August 2013. Mr. Graves was voted into Christian Brothers High School's Hall of Fame and inducted in 2015. In 2018, he was awarded Grace St. Luke's School's GSL Outstanding Alumnus of the Year.



Dana Jeanes, Senior Vice-President, Chief Financial Officer and Chief Administrative Officer (Secretary-Treasurer), is responsible for establishing, monitoring and maintaining company-wide financial and administrative objectives, policies, programs, and practices for MLGW. Mr. Jeanes joined MLGW in December 1987 and has served as Energy Engineer; Rates Engineer; Supervisor, Rates and Regulatory Affairs; Manager, Budget, Plant and Rates; Director of Analysis, Strategy, and Performance, and Controller. Mr. Jeanes received his Bachelor of Science in electrical engineering from Christian Brothers University in 1979 and a Master of Business Administration degree with emphasis on finance and accounting from the University of Memphis in 1994. He is a licensed professional engineer in Tennessee. He is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants. Mr. Jeanes serves in several industry associations. He is a Board member and past President of the Tennessee Municipal Electric Power Association. He also serves on the Tennessee Valley Public Power Association Government Relations Committee and Rates and Contracts Committee. Mr. Jeanes also serves as a Director on the Board of the Better Business Bureau of the Mid-South.



Alonzo Weaver III, Interim Chief Utility Officer, Senior Vice-President and Chief Operating Officer is responsible for managing and coordinating all engineering functions, facilities operations and loss prevention, electric substations, water pumping stations, gas regulators, and wells. Mr. Weaver joined MLGW in 1983 as an Engineering Assistant in Electric Operations and was promoted to Operations Assistant in that department in 1987. Mr. Weaver later served as Assistant Manager for the North Service Center before being promoted to Manager, Electric Operations in 1992. He was promoted to Vice President, Operations in 1997 and has served in various executive roles since that time. Mr. Weaver graduated from Rensselaer Polytechnic Institute with a B.S. in Mechanical Engineering in 1983 and attended the University of Memphis where he received an MBA in 1997. Mr. Weaver also attended Rhodes College Institute for Executive Leadership and completed the MLGW Executive Development Program in 1988. Mr. Weaver is active in several industry associations, such as the American Public Power Association, the American Public Gas Association, the American Association of Blacks in Energy, the American Gas Association and the North American Transmission Forum. He serves on the boards of the Southern Gas Association, SERC Reliability Corporation and Junior Achievement.



Cheryl W. Patterson, Vice-President and General Counsel (Compliance

Officer), is responsible for advising the Board and MLGW staff concerning all legal obligations and privileges, serves as Chief Ethics Officer for MLGW, and performs other legal services for MLGW. Mrs. Patterson joined MLGW in 2008. Previously, she served as partner in the law firm of Wyatt, Tarrant & Combs, LLP, and was a member of the firm's Financial Institutions & Public Finance Service Teams. Mrs. Patterson has served as bond counsel and underwriter's counsel to municipalities and non-profits. She is a graduate of Wellesley College with a Bachelor of Arts Degree in Political Science and French and a 1984 graduate of Harvard Law School. She is a member of the American, Tennessee and Memphis Bar Associations as well as the National Association of Bond Lawyers. She is licensed to practice law in Tennessee and Pennsylvania. Mrs. Patterson is active in the Tennessee Valley Public Power Association Government Relations Committee and serves on the boards of several non-profit organizations.



Roland McElrath, Vice-President of Accounting

, is responsible for directing MLGW's accounting function and departments engaged in general accounting, customer payments, payroll, and banking activities. Mr. McElrath joined MLGW in August 2012. Mr. McElrath served as the Finance Director for the City of Memphis, from 1996 through 2001 and again from 2005 through 2012. He has also held the position of Associate Superintendent of Business Operations at Memphis City Schools from 2001 through 2003 and was Chief Financial Officer at the Memphis Housing Authority from 2003 through 2005. Mr. McElrath received his bachelor's degree in accounting from the University of Tennessee at Martin in 1982 and earned a Master of Business Administration degree in Finance from the University of Memphis in 1989. He is a Certified Public Accountant and a Certified Municipal Finance Officer.



Cliff DeBerry Jr., Vice-President of Design, Construction and Delivery

, is responsible for managing and coordinating the delivery of construction and maintenance operations at Memphis Light, Gas and Water as well as Residential and Commercial Engineering Design, Lighting Services, and Builder and Developer Services. Mr. DeBerry joined MLGW in 1987 as a Level I Customer Engineer and was promoted to Assistant Manager for the Hickory Hill Service Center in 2000. He later served as Manager of Electric Engineering, Manager of Hickory Hill Service Center, and Director of Analysis, Strategy and Performance before being promoted to his current position. Mr. DeBerry graduated from Christian Brothers College (now CBU) with a B.S. in Electrical Engineering in 1987 and additionally received an MBA in Finance in 1994 from Memphis State University (now University of Memphis). He is a registered Professional Engineer licensed in the state of Tennessee. Mr. DeBerry is a commissioner for the

West Tennessee Seismic Safety Commission, Board Member for the Mid-South Food Bank, Managing Operating Committee Member for the American Gas Association and an active member of the Engineers Club of Memphis where he served on the Board of Directors. Additionally, Mr. DeBerry has served as President of the American Association of Blacks in Energy and is a member of Alpha Phi Alpha Fraternity. He is a supporter of many community endeavors such as Junior Achievement, the United Way, the MS 150 Bike -A-Thon and Ride for Life.



Nicholas Newman, Vice-President of Engineering and Operations, is responsible for managing and coordinating all engineering and operational divisions for Memphis Light, Gas and Water. Mr. Newman joined MLGW in 1988 as a Service Engineer in the Customer Engineering Department. Mr. Newman previously served as a District Engineer; Supervisor of Engineering and Heavy Equipment; Assistant Manager and Manager of the South Service Center. Additionally, Mr. Newman served as the Project Manager for the Energy Conservation Project at NSA Mid-South. Mr. Newman is a native Memphian and graduate of Frayser High School. Mr. Newman earned his Bachelor of Science in Electrical Engineering and an MBA from the University of Memphis. Mr. Newman holds a Grade 2 Water Distribution License from the State of Tennessee. Mr. Newman is active in the American Water Works Association (AWWA), Tennessee Association of Utility Districts (TAUD) and several other associations. He is on the board of TAUD where he serves as Vice President and is the Chairperson for the legislative team. He also serves on the Tennessee Water/Wastewater Financing Board.



Von Goodloe, Vice-President of Shared Services, is responsible for managing Corporate Security, Facilities (Central Support Services), Transportation and Supply Operations, Procurement, Contracts and Supplier Diversity and Corporate Safety. Dr. Goodloe joined MLGW in 2010 as Vice President of Human Resources. Dr. Goodloe graduated from Hampton University with a B.A. in Physics in 1983, attended Trevecca Nazarene College in Nashville where he received an MEA degree in 1994, and received an EDS degree in Administration in 2009 from Union University. He also received his doctorate in education from Union University in 2011. Dr. Goodloe has his Senior Professional in Human Resources (SPHR) certification from the Society for Human Resources Management (SHRM) and Certified Labor Relations Professional (CLRP) certification from the National Public Employer Labor Relations Association (NPELRA). He is an active member of the Society for Human Resources Management (SHRM) and the National Public Employer Labor Relations Association (NPELRA). He is an active member of

Alpha Phi Alpha fraternity and a supporter of community agencies such as Life Blood, The United Way, and Junior Achievement.



Jacqueline Jones, Vice President and Chief People Officer, is responsible for developing and executing human resource strategy in support of the overall business plan and strategic direction of the organization, specifically in the areas of succession planning, talent management, change management, organizational and performance management, training and development, and compensation. She joined MLGW in December 2020. Prior to joining MLGW, she served in executive roles at Kraft Foods, Inc and Lennox International.

Jackie has a strong track record of human resource experience supporting management teams and employees through rapid change and growth. She is experienced in developing and executing strategic and tactical programs, driving enterprise people strategy, delivering on commitments, and creating a winning culture. Her well-rounded experience includes working in corporate and business unit environments as well as working in union/non-union manufacturing plants including both line and staff roles. Jackie's leadership style is highlighted by her ability to be a strategic thinker, courageous change agent and action-oriented leader with a high degree of interpersonal skills and credibility. Jones is a graduate of the University of Memphis where she received a BBA degree in Production Operations Management. She also holds an MBA from Edgewood College in Madison, WI.



Lashell Vaughn, Vice-President and Chief Information Officer, is responsible for information technology and services, data security, client services and enterprise resources support. Mrs. Vaughn joined MLGW in June 2011. Mrs. Vaughn previously held the position of Vice President of Information Technology with Hilton Worldwide. She has more than 35 years of experience in Information Technology, including client management, application development, data center operation, network and telecommunication, and security and compliance. Vaughn received a Master of Science in Computer Science from Christian Brothers University and a Bachelor of Science in Computer Science from Mississippi State University. She serves on the Dean's Advisory Council for the Mississippi State University Bagley College of Engineering and is Chairman of the Board for the Greater Memphis IT Council. She is a member of the Institute of Electronics Engineers, Inc. (IEEE) and the American Society for Engineering Education (ASEE).



Timothy Davis, Vice-President Customer Experience and Energy Services, is responsible for driving exceptional experiences for all customers and potential customers. Mr. Davis leads efforts to create customer-centric strategies and initiatives enhancing customer satisfaction throughout the company. Prior to joining MLGW in 2022, Mr. Davis was Director of Customer Service, Field Operations for Austin Energy. Mr. Davis held positions at San Antonio Water and Tucson Electric where he was responsible for all aspects of the Customer Experience, including Customer Engagement, Customer Programs, Sales, Energy Efficiency Programs, Customer Service Operations, Account Management, and Community Investment & Corporate Philanthropy. Mr. Davis earned a Bachelor of Science Degree in Business from the University of Redlands and a Master of Science Degree in Leadership & Management from the University of La Verne. Mr. Davis is also a graduate of the University of California's Executive Management Program, along with executive programs at the University of Chicago and University of Southern California.



Gale Jones Carson, Vice-President of Community & External Affairs, is responsible for Economic & Community Development, Regional External Affairs, local government relations, employee and public communications programs, customer communications, media and community relations, marketing communications, crisis communications, social media, website management, graphic arts, printing, mail services and distribution operations, and the PBX (Private Branch Exchange) telephone operations. Ms. Carson rejoined MLGW in January 2007 as the Director of Corporate Communications after working as Executive Assistant and Chief Spokesperson for the City of Memphis Mayor for almost seven years. Prior to working for the mayor, she worked in Corporate Communications at FedEx for 16 years. Ms. Carson worked in public relations for MLGW for more than six years prior to joining FedEx. A veteran of public relations, Ms. Carson has more than four decades of journalism/public relations/

crisis communications and community relations experience. She also has experience in economic development. In addition to her experience at MLGW and FedEx, for many years she was a freelance writer for a couple of local weekly publications. Ms. Carson created, produced, and hosted the local cablevision program, Memphis Style Politics, for approximately 10 years. Currently, she is serving as President of the Memphis & Shelby County Film & Tape Commission. Ms. Carson serves as Vice President of the NAACP Memphis Branch's Board of Directors, is a member of the Community Foundation of Greater Memphis Board of Governors, Women's Foundation for a Greater Memphis Board of Directors, and is a member of the IWF/TWF/MWF (International Women's Forum/Tennessee Women's Forum/Memphis Women's Forum). Among the many professional, civic, and political awards she has received, her most cherished are the Memphis Business Journal's 2017 Super Women in Business Award: The Girls, Inc. "She Knows Where She's Going" award; the April 4th Foundation's H. Ralph Jackson Trailblazer Award; the NBA Grizzlies' Community Heroes Award; the Silver Star Achievers Award; Who's Who in Memphis Twitter; the Ruby R. Wharton Outstanding Women Award for Public Awareness; the 2015 Keepers of the Dream Award; the 2015 Kindle Award; the Girl Scouts Heart of the South's One Smart Cookie Award; and the University of Memphis Alumni Association Journalism and Strategic Media Outstanding Alumni Award. Ms. Carson has also received numerous professional awards related to her work. A native of Memphis, Ms. Carson is a graduate of the Leadership Memphis Class of 1998, graduate of New Memphis Leadership and of the University of Memphis where she earned a bachelor's degree in broadcast journalism.



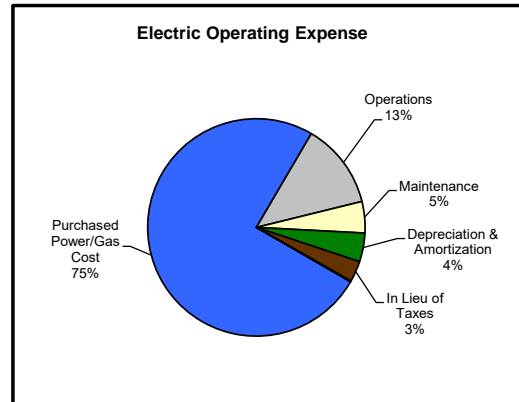
Lesa Walton, Chief Internal Auditing Officer, is responsible for the overall operations of Internal Auditing functions to include developing, scheduling, and directing financial, operational, and administrative audit functions. This includes analyzing, reviewing and appraising the adequacy and effectiveness of system technologies and internal control for safeguarding MLGW's funds and assets. Walton joined MLGW in 2001 and has served as an Auditor, Senior Auditor, Supervisor of Management Accounting, General Auditor and most recently as Audit Director.

She received her B.S. in Accounting from the University of Arkansas at Little Rock in 1992, and a Master of Professional Accountancy from Jackson State University in 1994. She received her Certified Public Accountant (CPA) designation in 1998. Walton's previous employers include TruGreen Chemlawn, a division of ServiceMaster, Inc., The Kroger Company and United American of Tennessee. She is a member of the American Institute of Certified Public Accountants (AICPA), Tennessee Society of Certified Public Accountants (TSCPA) and the Institute of Internal Auditors (IIA) where she serves as IIA Memphis Board of Governors. She is a supporter of community agencies such as The United Way, MIFA, and Junior Achievement. Walton is an active member of White Stone Missionary Baptist Church serving as Co-Chairperson of the Trustee Board, Chairperson of the Scholarship Committee and member of the Budget Committee.

2023 MLGW BUDGET HIGHLIGHTS

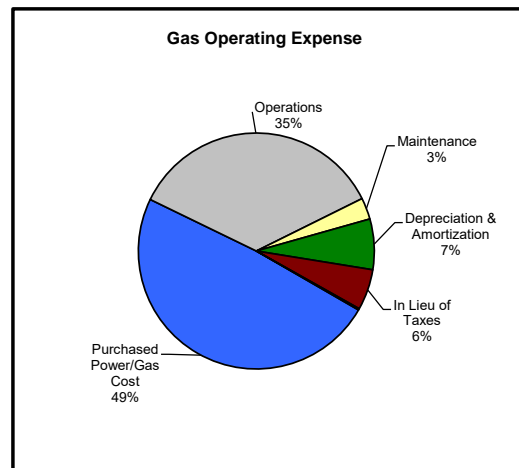
ELECTRIC DIVISION (In Thousands)

Total Operating Revenue	\$ 1,438,242
Purchased Power	\$ 1,096,347
Total O&M Expense	\$ 254,001
Other Operating Expense	\$ 109,467
Total Operating Expense	\$ 1,459,815
Operating Income (Loss)	\$ (21,573)
Change in Net Position	\$ 12,401
CAPITAL PROGRAM	\$ 231,923



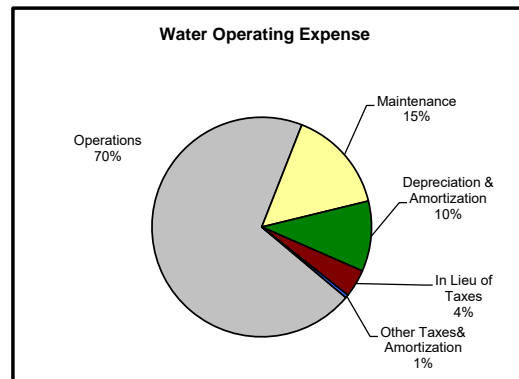
GAS DIVISION (In Thousands)

Total Operating Revenue	\$ 341,481
Purchased Gas	\$ 196,719
Total O&M Expense	\$ 104,717
Other Operating Expense	\$ 43,899
Total Operating Expense	\$ 345,335
Operating Income (Loss)	\$ (3,854)
Change in Net Position	\$ (7,684)
CAPITAL PROGRAM	\$ 24,281



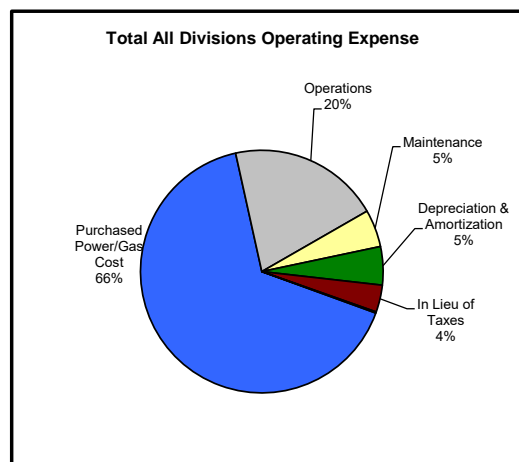
WATER DIVISION (In Thousands)

Total Operating Revenue	\$ 130,626
Total O&M Expense	\$ 95,597
Other Operating Expense	\$ 16,764
Total Operating Expense	\$ 112,361
Operating Income (Loss)	\$ 18,265
Change in Net Position	\$ 15,909
CAPITAL PROGRAM	\$ 42,532



ALL DIVISIONS (In Thousands)

TOTAL OPERATING REVENUE	\$ 1,910,349
TOTAL PURCHASED POWER & GAS	\$ 1,293,066
TOTAL O&M EXPENSE	\$ 454,315
TOTAL OTHER OPERATING EXPENSE	\$ 170,130
TOTAL OPERATING EXPENSE	\$ 1,917,511
OPERATING INCOME	\$ (7,162)
CHANGE IN NET POSITION	\$ 20,626
TOTAL CAPITAL PROGRAM	\$ 298,736





ALL DIVISIONS

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2023

ALL DIVISIONS

PAGE 2

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
<u>OPERATING REVENUE</u>				
Sales Revenue	1,411,972	285,096	125,729	1,822,797
Revenue Adjustment for Uncollectibles	(3,106)	(799)	(629)	(4,534)
Non-Sales Revenue	29,376	57,184	5,526	92,086
OPERATING REVENUE	1,438,242	341,481	130,626	1,910,349
<u>OPERATING EXPENSE</u>				
Purchased Power	1,096,347	-	-	1,096,347
Purchased Gas	-	166,335	-	166,335
Compressed Natural Gas (CNG)	-	132	-	132
Liquefied Natural Gas (LNG)	-	2,268	-	2,268
Industrial Gas	-	27,984	-	27,984
Production Expense	-	1,566	15,011	16,577
Transmission Expense	8,727	-	-	8,727
Distribution Expense	54,453	30,929	17,711	103,093
Customer Accounts Expense	18,280	12,245	8,598	39,123
Customer Service & Information Expense	2,266	1,892	1,148	5,306
Sales Expense	2,344	430	344	3,118
Administrative & General Expense	99,695	47,472	35,663	182,830
OPERATING EXPENSE	1,282,112	291,253	78,475	1,651,840
<u>MAINTENANCE EXPENSE</u>				
Transmission Expense	3,443	-	-	3,443
Production Expense	-	819	3,613	4,432
Distribution Expense	59,944	7,776	9,864	77,584
Administrative & General Expense	4,849	1,588	3,645	10,082
MAINTENANCE EXPENSE	68,236	10,183	17,122	95,541
<u>OTHER OPERATING EXPENSE</u>				
Depreciation Expense	59,647	18,591	11,197	89,435
Payment in Lieu of Taxes	45,273	19,298	4,600	69,171
F.I.C.A. Taxes	1,757	672	515	2,944
Amortization of Legacy Meters	1,192	1,423	452	3,067
Amortization of Software	1,598	3,915	-	5,513
OTHER OPERATING EXPENSE	109,467	43,899	16,764	170,130
TOTAL OPERATING EXPENSE	1,459,815	345,335	112,361	1,917,511
<u>INCOME</u>				
Operating Income	(21,573)	(3,854)	18,265	(7,162)
Other Income	42,608	(32)	1,094	43,670
Reduction of Plant Cost Recovered through CIAC	(37,371)	(18,157)	(6,412)	(61,940)
NET INCOME BEFORE DEBT EXPENSE	(16,336)	(22,043)	12,947	(25,432)
<u>DEBT EXPENSE</u>				
Interest Expense - Long Term Debt	11,896	5,377	4,470	21,743
Amortization of Debt Discount & Expense	(3,262)	(1,579)	(1,020)	(5,861)
TOTAL DEBT EXPENSE	8,634	3,798	3,450	15,882
NET INCOME AFTER DEBT EXPENSE	(24,970)	(25,841)	9,497	(41,314)
Contributions in Aid of Construction	37,371	18,157	6,412	61,940
CHANGE IN NET POSITION	12,401	(7,684)	15,909	20,626

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2023**

ALL DIVISIONS

PAGE 2a

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
OPERATING REVENUE				
Sales Revenue	1,411,972	285,096	125,729	1,822,797
Revenue Adjustment for Uncollectibles	(3,106)	(799)	(629)	(4,534)
Non-Sales Revenue				
Forfeited Discounts	11,578	3,136	1,571	16,285
Miscellaneous Service Revenue	10,000	2,100	2,000	14,100
Cross Connection Revenue	-	-	1,400	1,400
Other Operating Revenue	1,476	564	420	2,460
Compressed Gas Natural Gas (CNG)	-	288	-	288
Liquefied Natural Gas (LNG)	-	4,284	-	4,284
Industrial Gas Revenue	-	28,999	-	28,999
Rent from Electric/Gas/Water Property	6,322	7,228	135	13,685
Transported Gas	-	10,585	-	10,585
Total Non-Sales Revenue	29,376	57,184	5,526	92,086
OPERATING REVENUE	1,438,242	341,481	130,626	1,910,349
OPERATING EXPENSE				
Purchased Power	1,096,347	-	-	1,096,347
Purchased Gas	-	166,335	-	166,335
Compressed Natural Gas (CNG)	-	132	-	132
Liquified Natural Gas (LNG)	-	2,268	-	2,268
Industrial Gas	-	27,984	-	27,984
Production Expense				
Chemicals	-	-	1,688	1,688
Fuel or Power Purchased for Pumping	-	-	7,500	7,500
Miscellaneous Expense	-	-	1,935	1,935
Operations Production Water Treatment	-	-	76	76
Operation Labor and Expenses	-	1,422	3,158	4,580
Operation Supervision and Engineering	-	144	309	453
Pumping Labor and Expenses	-	-	345	345
Total Production Expense	-	1,566	15,011	16,577
Transmission Expense				
Load Dispatching	689	-	-	689
Miscellaneous Transmission Expenses	1,391	-	-	1,391
Operation Supervision and Engineering	6,225	-	-	6,225
Station Expenses	422	-	-	422
Underground Transmission Line Expenses	-	-	-	-
Total Transmission Expense	8,727	-	-	8,727
Distribution Expense				
Customer Installation Expenses	-	5,392	2,946	8,338
Distribution Load Dispatching Expense	1,619	831	-	2,450
Mains and Services	-	3,543	-	3,543
Measuring and Regulating Expenses	-	76	-	76
Meter and House Regulator Expenses	778	3,320	1,600	5,698
Miscellaneous Distribution Expenses ⁽¹⁾	33,377	13,366	9,980	56,723
Operation Supervision and Engineering	4,524	4,386	2,772	11,682
Overhead Distribution Line Expense	5,725	-	-	5,725
Rents	-	15	-	15
Services on Customers' Premises	5,414	-	-	5,414
Station Expenses	1,560	-	-	1,560
Storage Facilities	-	-	122	122
Street Lighting and Signal System Expenses	366	-	-	366
Transmission and Distribution Lines	-	-	291	291
UG Distribution	1,090	-	-	1,090
Total Distribution Expense	54,453	30,929	17,711	103,093

⁽¹⁾ Includes, but not limited to, the following items: Accrued vacation, absences such as holiday and sick leave, lost time due to bad weather, stand-by pay, and contract services.

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2023**

ALL DIVISIONS

PAGE 2b

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
<u>OPERATING EXPENSE (Continued)</u>				
Customer Accounts Expense				
Customer Order, Records and Collection Expenses	17,267	10,856	7,550	35,673
Meter Reading Expenses	869	1,261	923	3,053
Supervision-Customer Accounting and Collection	144	128	125	397
Total Customer Accounts Expense	18,280	12,245	8,598	39,123
Customer Service & Information Expense				
Customer Assistance Expenses	1,173	808	603	2,584
Informational and Instructional Advertising Expenses	163	54	244	461
Miscellaneous Customer Service & Informational Expenses	499	714	-	1,213
Supervision-Customer Service and Information	431	316	301	1,048
Total Customer Service & Information Expense	2,266	1,892	1,148	5,306
Sales Expense				
Miscellaneous Sales Expenses	2,344	430	344	3,118
Total Sales Expense	2,344	430	344	3,118
Administrative & General Expense				
Administrative and General Salaries	16,665	6,754	4,665	28,084
Administration Expenses Transferred to Capital	(8,844)	(1,425)	(2,364)	(12,633)
Pension Expense	11,376	4,757	3,516	19,649
Other Active & Retiree Benefits	25,888	14,590	8,579	49,057
Other Post Employment Benefits Funding	787	329	243	1,359
Injuries and Damages	2,870	1,454	1,362	5,686
Miscellaneous General Expenses ⁽²⁾	17,275	6,826	5,786	29,887
Office Supplies and Expenses	5,428	2,185	1,557	9,170
Outside Services Employed	20,482	7,294	7,167	34,943
Property Insurance	2,056	1,033	727	3,816
Rents-Miscellaneous	5,712	3,675	4,425	13,812
Total Administrative & General Expense	99,695	47,472	35,663	182,830
OPERATING EXPENSE	1,282,112	291,253	78,475	1,623,856
<u>MAINTENANCE EXPENSE</u>				
Transmission Expense				
Maintenance of Overhead Transmission Lines	-	-	-	-
Maintenance of Station Equipment	1,364	-	-	1,364
Maintenance of Underground Transmission Lines	786	-	-	786
Maintenance of Structures and Improvements	46	-	-	46
Maintenance Supervision and Engineering	1,247	-	-	1,247
Total Transmission Expense	3,443	-	-	3,397
Production Expense				
Maintenance of Other Equipment	-	438	-	438
Maintenance of Pumping Equipment	-	-	1,036	1,036
Maintenance of Structures and Improvements	-	156	-	156
Maintenance of Water Treatment Equipment	-	-	1,299	1,299
Maintenance of Wells	-	-	1,130	1,130
Maintenance Supervision and Engineering	-	225	148	373
Total Production Expense	-	819	3,613	4,432

⁽²⁾ Includes, but not limited to, the following items: Mail distribution, property appraisals, security and janitorial services, and fuel use by MLGW.

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2023**

ALL DIVISIONS

PAGE 2c

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
<u>MAINTENANCE EXPENSE (Continued)</u>				
Distribution Expense				
Maintenance of Hydrants	-	-	574	574
Maintenance of Line Transformers	2,019	-	-	2,019
Maintenance of Mains	-	4,656	-	4,656
Maintenance of Meters	1,877	293	3,152	5,322
Maintenance of Miscellaneous Distribution Plant	730	-	96	826
Maintenance of Overhead Distribution Lines	33,084	-	-	33,084
Maintenance of Services	-	1,203	1,316	2,519
Maintenance of Station Equipment	2,020	-	-	2,020
Maintenance of Street Lighting and Signal System	3,406	-	-	3,406
Maintenance of Gas Distribution Facilities	-	-	-	-
Maintenance of Transmission and Distribution Mains	-	-	4,726	4,726
Maintenance of Underground Distribution Lines	13,562	-	-	13,562
Maintenance Supervision and Engineering	3,246	94	-	3,340
Measuring and Regulating Equipment Expenses	-	1,530	-	1,530
Total Distribution Expense	59,944	7,776	9,864	77,584
Administrative & General Expense				
Maintenance of General Plant	4,623	1,455	3,645	9,723
Facilities Maintenance Expense	226	133	-	359
Total Administrative & General Expense	4,849	1,588	3,645	10,082
MAINTENANCE EXPENSE	68,236	10,183	17,122	95,541
<u>OTHER OPERATING EXPENSE</u>				
Depreciation Expense	59,647	18,591	11,197	89,435
Payment in Lieu of Taxes	45,273	19,298	4,600	69,171
F.I.C.A. Taxes	1,757	672	515	2,944
Amortization of Legacy Meters	1,192	1,423	452	3,067
Amortization of Software	1,598	3,915	-	5,513
OTHER OPERATING EXPENSE	109,467	43,899	16,764	170,130
TOTAL OPERATING EXPENSE	1,459,815	345,335	112,361	1,917,511
<u>INCOME</u>				
Operating Income	(21,573)	(3,854)	18,265	(7,162)
Other Income				
Expenses of Merchandising, Jobbing & Contracts	-	(2,823)	-	(2,823)
Revenues from Merchandising, Jobbing & Contracts	-	1,381	-	1,381
Revenues from Non-Utility Property	-	-	-	-
Revenues from Common Transportation Equipment	-	-	-	-
Revenues from Sinking & Other Funds-Interest Income	1,999	1,000	471	3,470
Medicare Part D Refund	311	110	160	581
Non-Operating Income - TVA Transmission Credit	38,298	-	-	38,298
Miscellaneous Non-Operating Income	2,000	300	463	2,763
Total Other Income	42,608	(32)	1,094	43,670
Contributions in Aid of Construction	(37,371)	(18,157)	(6,412)	(61,940)
NET INCOME BEFORE DEBT EXPENSE	(16,336)	(22,043)	12,947	(25,432)

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2023**

ALL DIVISIONS

PAGE 2d

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
DEBT EXPENSE				
Interest Expense - Long-Term Debt				
Interest on Ltd - Series 2014	1,160	-	393	1,553
Interest on Ltd - Series 2016	1,419	1,419	732	3,570
Interest on Ltd - Series 2017	3,117	1,525	808	5,450
Interest on Ltd - Series 2020	6,200	2,433	2,537	11,170
Total Interest Expense - Long-Term Debt	11,896	5,377	4,470	21,743
Amortization of Debt Discount & Expense				
Amortization of Debt Disc & Exp - Series 2014	(545)	-	(44)	(589)
Amortization of Debt Disc & Exp - Series 2016	(506)	(507)	(149)	(1,162)
Amortization of Debt Disc & Exp - Series 2017	(782)	(443)	(171)	(1,396)
Amortization of Debt Disc & Exp - Series 2020	(1,429)	(629)	(656)	(2,714)
Total Amortization of Debt Discount & Expense	(3,262)	(1,579)	(1,020)	(5,861)
TOTAL DEBT EXPENSE	8,634	3,798	3,450	15,882
NET INCOME AFTER DEBT EXPENSE	(24,970)	(25,841)	9,497	(41,314)
Contributions in Aid of Construction	37,371	18,157	6,412	61,940
CHANGE IN NET POSITION	12,401	(7,684)	15,909	20,626

MEMPHIS LIGHT, GAS AND WATER DIVISION
 CAPITAL EXPENDITURES
 FOR CALENDAR YEAR OF 2023

ALL DIVISIONS

PAGE 3

DESCRIPTION	THOUSANDS OF DOLLARS				REF. NO.
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL	
TOTAL 2022 CAPITAL EXPENDITURES	231,923	24,281	42,532	298,736	3-1

ELECTRIC DIVISION



MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2021 THROUGH 2023

ELECTRIC DIVISION

PAGE E 4

DESCRIPTION	THOUSANDS OF DOLLARS			REF. NO.
	2021 ACTUAL	2022 BUDGET	2023 BUDGET	
OPERATING REVENUE				
Sales Revenue	1,288,843	1,326,016	1,411,972	4-1
Revenue Adjustment for Uncollectibles	(3,057)	(4,366)	(3,106)	4-2
Non-Sales Revenue	27,034	27,945	29,376	4-3
OPERATING REVENUE	1,312,820	1,349,595	1,438,242	
OPERATING EXPENSE				
Purchased Power	985,215	1,007,980	1,096,347	4-4
Transmission Expense	7,206	7,716	8,727	4-5
Distribution Expense	40,735	43,791	54,453	4-6
Customer Accounts Expense	14,492	17,067	18,280	4-7
Customer Service & Information Expense	1,734	2,183	2,266	4-8
Sales Expense	1,825	2,189	2,344	4-9
Administrative & General Expense	76,509	90,323	99,695	4-10
OPERATING EXPENSE	1,127,716	1,171,249	1,282,112	
MAINTENANCE EXPENSE				
Transmission Expense	5,625	6,135	3,443	4-11
Distribution Expense	43,101	55,796	59,944	4-12
Administrative & General Expense	3,807	4,946	4,849	4-13
MAINTENANCE EXPENSE	52,533	66,877	68,236	
OTHER OPERATING EXPENSE				
Depreciation Expense	57,227	58,967	59,647	4-14
Payment in Lieu of Taxes	45,396	46,372	45,273	4-15
F.I.C.A. Taxes	1,789	1,706	1,757	4-16
Amortization of Legacy Meters	1,199	1,192	1,192	4-17
Amortization of Software	1,315	1,537	1,598	4-18
OTHER OPERATING EXPENSE	106,926	109,774	109,467	
TOTAL OPERATING EXPENSE	1,287,175	1,347,900	1,459,815	
INCOME				
Operating Income	25,645	1,695	(21,573)	4-19
Other Income	41,244	41,600	42,608	4-20
Reduction of Plant Cost Recovered through CIAC	(18,218)	(28,199)	(37,371)	4-21
NET INCOME BEFORE DEBT EXPENSE	48,671	15,096	(16,336)	
DEBT EXPENSE				
Interest Expense - Existing Long-Term Debt	12,786	12,531	11,896	4-22
Amortization of Debt Discount & Expense	(2,968)	(3,389)	(3,262)	4-23
TOTAL DEBT EXPENSE	9,818	9,142	8,634	
NET INCOME AFTER DEBT EXPENSE	38,853	5,954	(24,970)	
Contributions in Aid of Construction	18,218	28,199	37,371	4-24
CHANGE IN NET POSITION*	57,071	34,153	12,401	

* Excludes Pension Non-Cash and Other Post Employment Benefits Non-Cash

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2022 THROUGH 2023**

ELECTRIC DIVISION

PAGE 4a

DESCRIPTION	THOUSANDS OF DOLLARS		
	2022 BUDGET	2023 BUDGET	DIFFERENCE
<u>OPERATING REVENUE</u>			
Sales Revenue	1,326,016	1,411,972	85,956
Revenue Adjustment for Uncollectibles	(4,366)	(3,106)	1,260
Non-Sales Revenue			
Forfeited Discounts	10,585	11,578	993
Miscellaneous Service Revenue	9,856	10,000	144
Other Operating Revenue	1,596	1,476	(120)
Rent from Gas/Water Property	5,908	6,322	414
Total Non-Sales Revenue	27,945	29,376	1,431
OPERATING REVENUE	1,349,595	1,438,242	88,647
<u>OPERATING EXPENSE</u>			
Purchased Power	1,007,980	1,096,347	88,367
Transmission Expense			
Load Dispatching	665	689	24
Miscellaneous Transmission Expenses	1,446	1,391	(55)
Operation Supervision and Engineering	5,203	6,225	1,022
Station Expenses	402	422	20
Total Transmission Expense	7,716	8,727	1,011
Distribution Expense			
Distribution Load Dispatching Expense	1,634	1,619	(15)
Meter Expenses	812	778	(34)
Miscellaneous Distribution Expenses ⁽¹⁾	24,196	33,377	9,181
Operation Supervision and Engineering	4,156	4,524	368
Overhead Distribution Line Expense	5,289	5,725	436
Services on Customers' Premises	5,132	5,414	282
Station Expenses	1,544	1,560	16
Street Lighting and Signal System Expenses	493	366	(127)
Underground Distribution Line Expenses	535	1,090	555
Total Distribution Expense	43,791	54,453	10,662
Customer Accounts Expense			
Customer Order, Records and Collection Expenses	16,020	17,267	1,247
Meter Reading Expenses	908	869	(39)
Supervision-Customer Accounting and Collection	139	144	5
Total Customer Accounts Expense	17,067	18,280	1,213
Customer Service & Information Expense			
Customer Assistance Expenses	1,178	1,173	(5)
Informational and Instructional Advertising Expenses	163	163	-
Miscellaneous Customer Service & Informational Expense	485	499	14
Supervision-Customer Service and Information	357	431	74
Total Customer Service & Information Expense	2,183	2,266	83
Sales Expense			
Miscellaneous Sales Expenses	2,189	2,344	155
Total Sales Expense	2,189	2,344	155

⁽¹⁾ Includes, but not limited to, the following items: Accrued vacation, absences such as holiday and sick leave, lost time due to bad weather, stand-by pay, and contract services.

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2022 THROUGH 2023

ELECTRIC DIVISION

PAGE 4b

DESCRIPTION	THOUSANDS OF DOLLARS		
	2022 BUDGET	2023 BUDGET	DIFFERENCE
OPERATING EXPENSE (Continued)			
Administrative & General Expense			
Administrative and General Salaries	18,703	16,665	(2,038)
Administration Expenses Transferred to Capital	(7,255)	(8,844)	(1,589)
Pension Expense	11,518	11,376	(142)
Other Active & Retiree Benefits	21,815	25,888	4,073
Other Post Employment Benefits Funding	2,423	787	(1,636)
Injuries and Damages	3,031	2,870	(161)
Miscellaneous General Expenses ⁽²⁾	11,147	17,275	6,128
Office Supplies and Expenses	5,614	5,428	(186)
Outside Services Employed	15,456	20,482	5,026
Property Insurance	1,856	2,056	200
Rents-Miscellaneous	6,015	5,712	(303)
Total Administrative & General Expense	90,323	99,695	9,372
OPERATING EXPENSE	1,171,249	1,282,112	110,863
MAINTENANCE EXPENSE			
Transmission Expense			
Maintenance of Overhead Transmission Lines	1	-	(1)
Maintenance of Station Equipment	1,431	1,364	(67)
Maintenance of Underground Transmission Lines	699	786	87
Maintenance of Structures and Improvements	124	46	(78)
Maintenance Supervision and Engineering	3,880	1,247	(2,633)
Total Transmission Expense	6,135	3,443	(2,692)
Distribution Expense			
Maintenance of Line Transformers	1,866	2,019	153
Maintenance of Meters	2,050	1,877	(173)
Maintenance of Miscellaneous Distribution Plant	539	730	191
Maintenance of Overhead Distribution Lines	29,632	33,084	3,452
Maintenance of Station Equipment	2,082	2,020	(62)
Maintenance of Street Lighting and Signal System	4,470	3,406	(1,064)
Maintenance of Underground Distribution Lines	12,087	13,562	1,475
Maintenance Supervision and Engineering	3,070	3,246	176
Total Distribution Expense	55,796	59,944	4,148
Administrative & General Expense			
Maintenance of General Plant	4,691	4,623	(68)
Facilities Maintenance Expense	255	226	(29)
Total Administrative & General Expense	4,946	4,849	(97)
MAINTENANCE EXPENSE	66,877	68,236	1,359

⁽²⁾ Includes, but not limited to, the following items: Mail distribution, property appraisals, security and janitorial services, and fuel use by MLGW.

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2022 THROUGH 2023**

ELECTRIC DIVISION

PAGE 4c

DESCRIPTION	THOUSANDS OF DOLLARS		
	2022 BUDGET	2023 BUDGET	DIFFERENCE
<u>OTHER OPERATING EXPENSE</u>			
Depreciation Expense	58,967	59,647	680
Payment in Lieu of Taxes	46,372	45,273	(1,099)
F.I.C.A. Taxes	1,706	1,757	51
Amortization of Legacy Meters	1,192	1,192	-
Amortization of Software	1,537	1,598	61
OTHER OPERATING EXPENSE	109,774	109,467	(307)
TOTAL OPERATING EXPENSE	1,347,900	1,459,815	111,915
<u>INCOME</u>			
Operating Income	1,695	(21,573)	(23,268)
Other Income			
Revenues from Sinking & Other Funds - Interest Income	3,500	1,999	(1,501)
Medicare Part D Refund	294	311	17
Non-Operating Income - TVA Transmission Credit	36,000	38,298	2,298
Miscellaneous Non-Operating Income	1,806	2,000	194
Total Other Income	41,600	42,608	1,008
Reduction of Plant Cost Recovered through CIAC	(28,199)	(37,371)	(9,172)
NET INCOME BEFORE DEBT EXPENSE	15,096	(16,336)	(31,432)
<u>DEBT EXPENSE</u>			
Interest Expense - Long-Term Debt			
Interest on Ltd - Series 2014	1,282	1,160	(122)
Interest on Ltd - Series 2016	1,497	1,419	(78)
Interest on Ltd - Series 2017	3,446	3,117	(329)
Interest on Ltd - Series 2020	6,306	6,200	(106)
Total Interest Expense - Long-Term Debt	12,531	11,896	(635)
Amortization of Debt Discount & Expense			
Amortization of Debt Disc & Exp - Series 2014	(574)	(545)	29
Amortization of Debt Disc & Exp - Series 2016	(534)	(506)	28
Amortization of Debt Disc & Exp - Series 2017	(824)	(782)	42
Amortization of Debt Disc & Exp - Series 2020	(1,457)	(1,429)	28
Total Amortization of Debt Discount & Expense	(3,389)	(3,262)	127
TOTAL DEBT EXPENSE	9,142	8,634	(508)
NET INCOME AFTER DEBT EXPENSE	5,954	(24,970)	(30,924)
Contributions in Aid of Construction	28,199	37,371	9,172
CHANGE IN NET POSITION	34,153	12,401	(21,752)

MEMPHIS LIGHT, GAS AND WATER DIVISION
SOURCE AND APPLICATION OF FUNDS
2023 BUDGET
(THOUSANDS OF DOLLARS)

ELECTRIC DIVISION

PAGE 5

		REF. NO.
<u>SOURCE OF FUNDS:</u>		
FROM OPERATIONS:		
Change in Net Position	12,401	5-1
Non-Cash Charges to Income:		
Depreciation Charged to Operating Income	59,647	5-2
Depreciation Charged to Other Accounts	1,972	5-3
Amortization of Legacy Meters	1,192	5-4
Amortization of Software	1,598	5-5
	76,810	
TOTAL FUNDS FROM OPERATIONS	76,810	
Salvage	1,183	5-6
Financing: Debt Issuance	-	5-7
	77,993	
TOTAL FUNDS AVAILABLE	77,993	
<u>APPLICATION OF FUNDS:</u>		
Capital Expenditures	231,923	5-8
Costs of Removal and Other Charges to the Reserve for Depreciation	4,709	5-9
Retirement of Long-Term Debt	14,535	5-10
	251,167	
TOTAL APPLICATION OF FUNDS	251,167	
 INCREASE (DECREASE) IN WORKING CAPITAL	 (173,174)	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL EXPENDITURES COMPARISON
FOR CALENDAR YEAR OF 2023

ELECTRIC DIVISION

PAGE 6

DESCRIPTION	THOUSANDS OF DOLLARS			REF. NO.
	2021 Actual	2022 BUDGET	2023 BUDGET	
SUBSTATION AND TRANSMISSION				
ELEC - SUBSTATION	9,040	19,781	21,022	6-1
ELEC - SUBSTATION TRANSFORMERS REPLACEMENT	2,723	6,102	6,709	6-2
ELEC - SUBSTATION CIRCUIT BREAKERS REPLACEMENT	15,860	4,124	4,417	6-3
ELEC - TRANSMISSION LINES	3,771	8,190	12,027	6-4
CONTRIBUTION IN AID OF CONSTRUCTION - CIAC		(5,444)	(10,496)	6-5
TOTAL - SUBSTATION AND TRANSMISSION	31,394	32,753	33,679	
DISTRIBUTION SYSTEM				
ELEC - RESIDENTIAL SERVICE IN S/D	246	146	210	6-6
ELEC - RESIDENTIAL SERVICE NOT IN S/D	1,739	2,090	2,881	6-7
ELEC - RESIDENTIAL S/D	30	122	162	6-8
ELEC - APARTMENTS	1,119	1,709	1,290	6-9
ELEC - GENERAL POWER SERVICE	6,052	13,861	17,456	6-10
ELEC - GENERAL POWER S/D	144	278	124	6-11
ELEC - MOBILE HOME PARK	-	-	6	6-12
ELEC - TEMPORARY SERVICE	206	807	844	6-13
ELEC - MULTIPLE-UNIT GENERAL POWER	450	416	363	6-14
ELEC - RELOCATE AT CUSTOMER REQUEST	1,404	6,431	7,037	6-15
ELEC - STREET IMPROVEMENTS	882	14,556	11,910	6-16
ELEC - NEW CIRCUITS	623	7,600	12,025	6-17
ELEC - VOLTAGE CONVERSION	-	20	-	6-18
ELEC - LINE RECONSTRUCTION/REMOVE IDLE FACILITIES	1,830	4,250	5,250	6-19
ELEC - DEFECT CABLE/FEEDER CABLE REPLACEMENT	3,336	11,800	10,800	6-20
ELEC - DISTRIBUTION POLES	3,854	3,000	4,000	6-21
ELEC - DISTRIBUTION AUTOMATION	7,698	31,000	31,000	6-22
ELEC - STREET LIGHTS INSTALL	1,699	11,900	51,580	6-23
ELEC - DEMOLITION	79	72	37	6-24
ELEC - STREET LIGHT MAINTENANCE	2,996	2,122	3,000	6-25
ELEC - PLANNED MAINTENANCE	5,454	9,869	10,263	6-26
ELEC - TREE TRIMMING	-	10	125	6-27
ELEC - OPERATIONS MAINTENANCE	207	-	-	6-28
ELEC - LEASED OUTDOOR LIGHTING	495	444	296	6-29
ELEC - STORM RESTORATION	2,338	-	-	6-30
ELEC - SHARED USE CONTRACT	-	500	500	6-31
ELEC - DUCT LINE LEASE	-	75	75	6-32
ELEC - EMERGENCY MAINTENANCE	5,984	6,076	6,198	6-33
JT - RESIDENTIAL SERVICE IN S/D	802	707	1,553	6-34
JT - RESIDENTIAL SERVICE NOT IN S/D	6	20	7	6-35
JT - RESIDENTIAL S/D	1,691	1,946	4,856	6-36
JT - APARTMENTS	-	-	35	6-37
PCI - CAPACITOR BANKS	-	250	-	6-38
PCI - DIST TRANSFORMERS	5,645	6,278	6,529	6-39
ELEC - METERS	177	2,366	1,922	6-40
CONTRIBUTION IN AID OF CONSTRUCTION - CIAC	(17,609)	(28,199)	(26,875)	6-41
TOTAL - DISTRIBUTION SYSTEM	39,577	112,522	165,459	
GENERAL PLANT				
ELEC - BUILDINGS & STRUCTURES	254	5,006	13,002	6-42
ELEC - SECURITY AUTOMATION	3,053	2,958	2,213	6-43
ELEC - LAND PURCHASE	120	1,200	485	6-44
ELEC - FLEET CAPITAL POWER OPERATED EQUIPMENT	1,325	3,666	6,936	6-45
ELEC - TRANSPORTATION EQUIPMENT	1,241	4,737	5,766	6-46
ELEC - TOOLS & EQUIPMENT	-	-	-	6-47
ELEC - LAB & TEST	335	862	386	6-48
ELEC - COMMUNICATION EQUIPMENT	49	91	146	6-49
ELEC - COMMUNICATION TOWERS	-	8,118	4,500	6-50
ELEC - TELECOMMUNICATION NETWORK	1,843	4,478	22,509	6-51
ELEC - UTILITY MONITORING	82	1,120	11,135	6-52
ELEC - CIS DEVELOPMENT	467	7,675	4,500	6-53
ELEC - BUSINESS CONTINUITY	1,064	555	1,200	6-54
ELEC - DATA PROCESSING EQUIPMENT	-	5,433	17,788	6-55
ELEC - IS/IT PROJECTS	27	-	-	6-56
ELEC - CONTINGENCY FUND	-	200	200	6-57
TOTAL - GENERAL PLANT	9,860	46,099	90,766	
TOTAL - ELECTRIC DIVISION CATEGORIES	80,831	191,374	289,904	
Delayed Cost Allocations	(9,013)	(35,592)	(57,981)	6-58
TOTAL - ELECTRIC DIVISION	71,818	155,782	231,923	

**MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2023**

ELECTRIC DIVISION

PAGE 7

DESCRIPTION	IN BUDGET YEAR	REF. NO.
<u>SUBSTATION & TRANSMISSION MAJOR PROJECTS</u>		
<u>SUBSTATION</u>		
Install Substation 83 161/23kV Facilities	11,840,325	7-1
Replace RTU's various locations	1,885,775	7-2
Replace relays various locations	1,000,000	7-3
Install Substation 76 third 115/12 kV transformer	1,000,000	7-4
Sub #44 -- Install Definite Purpose Capacitor Bank Breakers 44361 & 44363 Bank	851,801	7-5
Replace capacitor banks various locations	813,337	7-6
AC Service for Breaker Storage Yard @ Substation 33	694,658	7-7
Replace batteries various locations	520,000	7-8
Permanent Storage Solution for Mobile Substation @ Substation 33	510,085	7-9
Install 12 kV Circuit Breaker 47221 @ Substation 47 (Planning Request)	500,000	7-10
Sub #27 -- Install CapSwitchers on Cap Banks 7663 and 7665	397,311	7-11
Install 23 kV Circuit Breaker 5311 @ Substation 5 (Liberty Park PDO)	250,000	7-12
Install SATEC Metering at Various Substations (Distribution Automation)	220,000	7-13
Substation 4 OH/UG Conversion Ckts 2395 & 2397 (City of Memphis)	188,723	7-14
Install Transmission Metering Equipment for Transmission Planning Monitoring	150,000	7-15
Contingency Replace Switches	100,000	7-16
Other Miscellaneous Replace/Install	50,000	7-17
Seismic Retrofit of Non-Structural Substation Components	50,000	7-18
TOTAL SUBSTATION IMPROVEMENTS	21,022,015	
<u>SUBSTATION TRANSFORMERS</u>		
Replace 23/12 kV transformer banks 5335 & 5337 @ Substation 5	2,208,918	7-19
Replace 115/12 kV transformer banks 6555, 6557 & 6559 @ Substation 6	1,500,000	7-20
Contingency Failed Transformers/Procure Spares	3,000,000	7-21
TOTAL SUBSTATION TRANSFORMERS	6,708,918	
<u>SUBSTATION CIRCUIT BREAKERS</u>		
Replace 161 kV Breakers 38625, 38627 & 38659 @ Substation 38 (Aging Infrastructure)	1,139,208	7-22
Contingency Replace Breakers	500,000	7-23
Replace 12 kV Breaker 6609 @ Substation 26	466,225	7-24
Replace 12 kV Breaker 41259 @ Substation 41 (Aging Infrastructure)	317,800	7-25
Replace 23 kV Breaker 4301 @ Substation 4	301,045	7-26
Replace 12 kV Breaker 6259 @ Substation 6	284,795	7-27
Replace 12 kV Breaker 6257 @ Substation 6	284,795	7-28
Replace 12 kV Breaker 38257 @ Substation 38	251,393	7-29
Replace 23 kV Breaker 4361 @ Substation 4 (Aging Infrastructure)	250,000	7-30
Replace 23 kV Breaker 1837 @ Substation 11	210,786	7-31
Replace 23 kV Breaker 1835 @ Substation 11	210,786	7-32
Replace 23 kV Breaker 45349 @ Substation 45	200,444	7-33
TOTAL SUBSTATION CIRCUIT BREAKERS	4,417,277	
TOTAL SUBSTATION	32,148,210	

**MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2023**

ELECTRIC DIVISION

PAGE 8

DESCRIPTION	IN BUDGET YEAR	REF. NO.
<u>SUBSTATION/TRANSMISSION PROJECTS</u>		
Structure #1613 Bank Stabilization (USACE Section 14 Funding)	1,750,000	8-1
Misc. projects (OPGW, structure replacements, etc.)	500,000	8-2
Sub 83 Cut-in	500,000	8-3
OPGW 42-23	210,000	8-4
OPGW 11-35	200,000	8-5
Structure #1871 Bank Stabilization (USACE Section 14 Funding)	200,000	8-6
UAV Contract #12134	60,000	8-7
LIDAR Survey Impacts (NERC)	50,000	8-8
TOTAL SUBSTATION/TRANSMISSION PROJECTS	3,470,000	
<u>TRANSMISSION - REIMBURSABLE</u>		
TVA CC Plant - Transmission Improvements	5,682,108	8-9
TDOT Lamar & Shelby Drive	2,875,000	8-10
TOTAL TRANSMISSION REIMBURSABLE	8,557,108	
TOTAL TRANSMISSION LINES	12,027,108	
CONTRIBUTION IN AID OF CONSTRUCTION - CIAC	(10,495,831)	8-11
TOTAL - SUBSTATION AND TRANSMISSION	33,679,487	
<u>DISTRIBUTION SYS. - MAJOR PROJECTS</u>		
Substation 83	3,500,000	8-12
Substation 83 Cabling (6 ckts)	2,000,000	8-13
Sub 84 Ckt Ties	1,500,000	8-14
New Ckt Sub 84 North	1,500,000	8-15
Sub 83 Ckt Ties	1,250,000	8-16
Other 2020-24 Projects	1,000,000	8-17
Kellogg's Alternate CKT Upgrade	500,000	8-18
Sub. 84, Germantown Rd. Steel Pole Line	425,000	8-19
Schilling Farms Circuit Tie(s)	300,000	8-20
Ckt Ties in Sub 15/84/68 Area	50,000	8-21
TOTAL MAJOR NEW CIRCUIT PROJECTS	12,025,000	
<u>MISC. PROJECTS - REIMBURSABLE</u>		
Pinch District Improvements	5,000,000	8-22
Other Relocate at Customer Request Projects	2,037,456	8-23
TOTAL MISC. PROJECTS - REIMBURSABLE	7,037,456	

**MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2023**

ELECTRIC DIVISION

PAGE 9

DESCRIPTION	IN BUDGET YEAR	REF. NO.
<u>STREET IMPROVEMENT PROJECTS</u>		
SR-4/US-78/Lamar, south of SR-175/Shelby Dr. to Raines/Perkins Interchange Phase 2	4,721,015	9-1
SR-1/US-70/Summer Ave, from Macon Rd To Elmore Rd	2,384,000	9-2
Elvis Presley Blvd. North and Middle Section	2,000,000	9-3
Other Projections 2023-2027	1,000,000	9-4
Germantown Rd at Wolf River Blvd (GT 16/01)	400,000	9-5
Holmes Road, Malone to US-78/Lamar (CP 04/38)	375,000	9-6
SR-14, from Kerrville Rosemark to Tipton County Line	300,000	9-7
Malone, Holmes to Shelby Drive	200,000	9-8
LL 09/02 - New Canada Rd (Re-Alignment N of I-40 to US-70)	100,000	9-9
Airways @ Ketchum (SP 11/07)	150,000	9-10
Navy Road, Phase 2, Church to Veterans Pkwy	40,000	9-11
Washington Street Improvements, Main to Mt. Pleasant	30,000	9-12
Bartlett Road @ Ivanhoe - Signal	25,000	9-13
Corsica at Pine Bark Drainage	25,000	9-14
Easthill Subdivision - Drainage	25,000	9-15
Mickey to Millbranch - Drainage (MSQ2)	25,000	9-16
Prosperity Subdivision - Drainage	25,000	9-17
S. Main St. Extd. - Drainage	25,000	9-18
Dexter Lane north of Rainsong Cove Drainage	20,000	9-19
Germantown Rd at Legacy Drive - Drain RCP repair	20,000	9-20
Lillian Drive - Drainage (MSQ2)	10,000	9-21
Tonto Road - Drainage Project	10,000	9-22
	11,910,015	
TOTAL DISTRIBUTION SYS. - MAJOR PROJECTS	30,972,471	
<u>GENERAL PLANT</u>		
<u>PURCHASE OF LAND</u>	484,930	9-23
<u>BUILDINGS & STRUCTURES</u>		
<u>SUBSTATIONS</u>		
Replace Roofs - Various Substations	126,200	9-24
<u>ELECTRIC & SYSTEMS OPERATIONS</u>		
New Storeroom Building	1,500,000	9-25
Radio Tower Bldg: Replace 874 sq ft roof	22,000	9-26

**MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2023**

ELECTRIC DIVISION

PAGE 10

DESCRIPTION	IN BUDGET YEAR	REF. NO.
<u>GENERAL PLANT (Continued)</u>		
<u>NETTERS BUSINESS OPERATIONS CENTER</u>		
UPS Battery Replacement	54,000	10-1
<u>NEW BUILDINGS</u>		
Building Upgrades	7,000,000	10-2
EV Charging Stations	2,300,000	10-3
Expansion Property Site Development	1,000,000	10-4
Implement Distribution Automation Relay Testing Lab/Training Facility	1,000,000	10-5
TOTAL BUILDINGS & STRUCTURES	13,002,200	
ELEC - SECURITY AUTOMATION	2,212,805	10-6
ELEC - FLEET CAPITAL POWER OPERATED EQUIPMENT	6,936,280	10-7
ELEC - TRANSPORTATION EQUIPMENT	5,765,766	10-8
ELEC - COMMUNICATION EQUIPMENT	145,800	10-9
LAB & TEST	386,100	10-10
<u>COMMUNICATION TOWERS</u>		
Microwave/Mobile Radio	4,500,000	10-11
TOTAL COMMUNICATION TOWERS	4,500,000	
<u>TELECOMMUNICATION NETWORK</u>		
Distribution Automation Communication Infrastructure	20,000,000	10-12
DA Network Improvements	1,000,000	10-13
Fiber optic multiplexers	736,000	10-14
Fiber optic cable and equipment	492,000	10-15
Telecommunication Systems Growth	216,000	10-16
TDOT Summer Avenue Job	50,000	10-17
Voice Network	15,000	10-18
TOTAL TELECOMMUNICATIONS NETWORK	22,509,000	

**MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2023**

ELECTRIC DIVISION

PAGE 11

DESCRIPTION	IN BUDGET YEAR	REF. NO.
<u>GENERAL PLANT (Continued)</u>		
<u>UTILITY MONITORING & CONTROL SYSTEMS</u>		
Systems Backup Control & Communication Plan (CO)	11,135,000	11-1
TOTAL UTILITY MONITORING & CONTROL SYS.	11,135,000	
<u>CUSTOMER INFO SYSTEM (CIS) DEVELOPMENT</u>		
BillGen Replacement (Carryover)	2,500,000	11-2
IVR and Call Center Expansion Project	1,600,000	11-3
Electric Meter Test Board replacement	400,000	11-4
TOTAL CUSTOMER INFO. SYS. DEVELOPMENT	4,500,000	
<u>BUSINESS CONTINUITY</u>		
Business Continuity / Disaster Recovery Site	600,000	11-5
Data Center Enhancements Connectivity Improvements	500,000	11-6
User Requested Projects	100,000	11-7
TOTAL BUSINESS CONTINUITY	1,200,000	
<u>PURCHASE OF DATA PROCESSING EQUIPMENT</u>		
HPE Storage Area Network (SAN) Replacement/Expansion	8,500,000	11-8
Field Use Laptop Replacements	2,200,000	11-9
AI Project (carryover)	1,500,000	11-10
Storage Area Network for Backup Systems	988,312	11-11
DNS/DHCP System Replacement	797,898	11-12
Annual Network Upgrades- New	650,000	11-13
Annual New\Replacement Servers New	600,000	11-14
Project Portfolio Management Software (Carryover)	600,000	11-15
Work Center Wireless (outdoor) - Carryover	600,000	11-16
Network Access Control for End Points (Carryover)	571,000	11-17
Network Security Upgrades and Enhancements	550,000	11-18
Corporate Wireless Upgrade and Enhancements	200,000	11-19
PC Equipment	30,672	11-20
TOTAL PURCHASE OF DATA PROCESSING EQUIPMENT	17,787,882	
<u>CONTINGENCY FUNDS - GENERAL PLANT</u>	200,000	11-21
TOTAL GENERAL PLANT	90,765,763	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL CARRYOVER SUMMARY*
FOR CALENDAR YEAR OF 2023

ELECTRIC DIVISION

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<u>CAPITAL CARRYOVER CATEGORY</u>	<u>CARRYOVER AMOUNT</u>
Substations, Transmission & Distribution System	8,855,788
Power Operated and Transportation Equipment	6,373,418
Telecommunication Network & Communication Towers	4,500,000
Buildings & Structures	4,250,000
Purchase of Data Processing Equipment	4,186,000
CIS Info Systems Development	2,806,327
Utility Monitoring	885,000
Property	134,930
TOTAL CAPITAL CARRYOVER SUMMARY	<u>31,991,463</u>

*Carryover items constitute the funding necessary for capital projects or purchases not completed during the prior budget year. This would include projects which may have been delayed, large projects requiring multiple years to complete, or commodities ordered but not received. These items are part of the total 2023 Budget.

GAS DIVISION



MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2021 THROUGH 2023

GAS DIVISION

PAGE G 12

DESCRIPTION	THOUSANDS OF DOLLARS			REF. NO.
	2021 ACTUAL	2022 BUDGET	2023 BUDGET	
OPERATING REVENUE				
Sales Revenue	266,218	237,254	285,096	12-1
Revenue Adjustment for Uncollectibles	(744)	(1,012)	(799)	12-2
Non-Sales Revenue	29,999	26,817	57,184	12-3
OPERATING REVENUE	295,473	263,059	341,481	
OPERATING EXPENSE				
Production - LNG Plant	1,411	1,430	1,566	12-4
Purchased Gas	146,680	120,035	166,335	12-5
Compressed Natural Gas (CNG)	260	12	132	12-6
Liquefied Natural Gas (LNG)	4,729	1,056	2,268	12-7
Industrial Gas	-	-	27,984	12-8
Distribution Expense	24,808	28,918	30,929	12-9
Customer Accounts Expense	9,838	11,553	12,245	12-10
Customer Service & Information Expense	1,663	1,845	1,892	12-11
Sales Expense	409	418	430	12-12
Administrative & General Expense	42,697	43,137	47,472	12-13
OPERATING EXPENSE	232,495	208,404	291,253	
MAINTENANCE EXPENSE				
Production Expense	382	387	819	12-14
Distribution Expense	7,177	7,848	7,776	12-15
Administrative & General Expense	1,084	1,586	1,588	12-16
MAINTENANCE EXPENSE	8,643	9,821	10,183	
OTHER OPERATING EXPENSE				
Depreciation Expense	18,011	18,642	18,591	12-17
Payment in Lieu of Taxes	19,052	20,338	19,298	12-18
F.I.C.A. Taxes	686	652	672	12-19
Amortization of Leasehold Improvements	-	-	-	12-20
Amortization of Legacy Meters	1,428	1,423	1,423	12-21
Amortization of Software	3,812	3,940	3,915	12-22
OTHER OPERATING EXPENSE	42,989	44,995	43,899	
TOTAL OPERATING EXPENSE	284,127	263,220	345,335	
INCOME				
Operating Income	11,346	(161)	(3,854)	12-23
Other Income	59	1,045	(32)	12-24
Reduction of Plant Cost Recovered through CIAC	(2,025)	(5,005)	(18,157)	12-25
NET INCOME BEFORE DEBT EXPENSE	9,380	(4,121)	(22,043)	
DEBT EXPENSE				
Interest Expense - Long-Term Debt	5,744	5,571	5,377	12-26
Amortization of Debt Discount & Expense	(1,699)	(1,684)	(1,579)	12-27
TOTAL DEBT EXPENSE	4,045	3,887	3,798	
NET INCOME AFTER DEBT EXPENSE	5,335	(8,008)	(25,841)	
Contributions in Aid of Construction	2,025	5,005	18,157	12-28
CHANGE IN NET POSITION*	7,360	(3,003)	(7,684)	

* Excludes Pension Non-Cash and Other Post Employment Benefits Non-Cash

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2022 THROUGH 2023

GAS DIVISION

PAGE 12a

DESCRIPTION	THOUSANDS OF DOLLARS		
	2022 BUDGET	2023 BUDGET	DIFFERENCE
OPERATING REVENUE			
Sales Revenue	237,254	285,096	47,842
Revenue Adjustment for Uncollectibles	(1,012)	(799)	213
Non-Sales Revenue			
Forfeited Discounts	2,800	3,136	336
Miscellaneous Service Revenue	2,016	2,100	84
Other Operating Revenue	612	564	(48)
Compressed Natural Gas (CNG)	36	288	252
Liquefied Natural Gas (LNG)	2,568	4,284	1,716
Industrial Gas	-	28,999	28,999
Rent from Electric/Water Property	8,387	7,228	(1,159)
Transported Gas	10,398	10,585	187
Total Non-Sales Revenue	26,817	57,184	30,367
OPERATING REVENUE	263,059	341,481	78,422
OPERATING EXPENSE			
Purchased Gas	120,035	166,335	46,300
Compressed Natural Gas (CNG)	12	132	120
Liquified Natural Gas (LNG)	1,056	2,268	1,212
Industrial Gas	-	27,984	27,984
Production Expense			
Operation Labor and Expenses	1,287	1,422	135
Operation Supervision and Engineering	143	144	1
Total Production Expense	1,430	1,566	136
Distribution Expense			
Customer Installation Expenses	5,215	5,392	177
Distribution Load Dispatching Expense	790	831	41
Mains and Services	3,985	3,543	(442)
Measuring and Regulating Expenses	79	76	(3)
Meter and House Regulator Expenses	3,493	3,320	(173)
Miscellaneous Distribution Expenses ⁽¹⁾	11,615	13,366	1,751
Rents	5	15	10
Operation Supervision and Engineering	3,736	4,386	650
Total Distribution Expense	28,918	30,929	2,011
Customer Accounts Expense			
Customer Order, Records and Collection Expenses	10,111	10,856	745
Meter Reading Expenses	1,314	1,261	(53)
Supervision-Customer Accounting and Collection	128	128	-
Total Customer Accounts Expense	11,553	12,245	692
Customer Service & Information Expense			
Customer Assistance Expenses	811	808	(3)
Informational and Instructional Advertising Expenses	54	54	-
Miscellaneous Customer Service & Informational Expenses	686	714	28
Supervision-Customer Service and Information	294	316	22
Total Customer Service & Information Expense	1,845	1,892	47
Total Sales Expense	418	430	12
Total Operating Expense	122,231	168,900	46,669
OPERATING EXPENSE	122,231	168,900	46,669

⁽¹⁾ Includes, but not limited to, the following items: Accrued vacation, absences such as holiday and sick leave, lost time due to bad weather, stand-by pay, and contract services.

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2022 THROUGH 2023**

GAS DIVISION

PAGE 12b

DESCRIPTION	THOUSANDS OF DOLLARS		
	2022 BUDGET	2023 BUDGET	DIFFERENCE
<u>OPERATING EXPENSE (Continued)</u>			
Administrative & General Expense			
Administrative and General Salaries	7,548	6,754	(794)
Administration Expenses Transferred to Capital	(1,314)	(1,425)	(111)
Pension Expense	4,816	4,757	(59)
Other Active & Retiree Benefits	11,981	14,590	2,609
Other Post Employment Benefits Funding	1,013	329	(684)
Injuries and Damages	1,847	1,454	(393)
Miscellaneous General Expenses ⁽²⁾	4,661	6,826	2,165
Office Supplies and Expenses	2,328	2,185	(143)
Outside Services Employed	5,898	7,294	1,396
Property Insurance	945	1,033	88
Rents-Miscellaneous	3,414	3,675	261
Total Administrative & General Expense	43,137	47,472	4,335
OPERATING EXPENSE	208,404	291,253	82,849
<u>MAINTENANCE EXPENSE</u>			
Production Expense			
Maintenance of Other Equipment	90	438	348
Maintenance of Structures and Improvements	73	156	83
Maintenance Supervision and Engineering	224	225	1
Total Production Expense	387	819	432
Distribution Expense			
Maintenance of Mains	4,809	4,656	(153)
Maintenance of Meters	300	293	(7)
Maintenance of Services	1,146	1,203	57
Maintenance Supervision and Engineering	88	94	6
Measuring and Regulating Equipment Expenses	1,505	1,530	25
Total Distribution Expense	7,848	7,776	(72)
Administrative & General Expense			
Maintenance of General Plant	1,473	1,455	(18)
Facilities Maintenance Expense	113	133	20
Total Administrative & General Expense	1,586	1,588	2
MAINTENANCE EXPENSE	9,821	10,183	362
<u>OTHER OPERATING EXPENSE</u>			
Depreciation Expense	18,642	18,591	(51)
Payment in Lieu of Taxes	20,338	19,298	(1,040)
F.I.C.A. Taxes	652	672	20
Amortization of Legacy Meters	1,423	1,423	-
Amortization of Software	3,940	3,915	(25)
OTHER OPERATING EXPENSE	44,995	43,899	(1,096)
TOTAL OPERATING EXPENSE	263,220	345,335	82,115

⁽²⁾ Includes, but not limited to, the following items: Mail distribution, property appraisals, security and janitorial services, and fuel use by MLGW.

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2022 THROUGH 2023**

GAS DIVISION

PAGE 12c

DESCRIPTION	THOUSANDS OF DOLLARS		
	2022 BUDGET	2023 BUDGET	DIFFERENCE
INCOME			
Operating Income	(161)	(3,854)	(3,693)
Other Income			
Expenses of Merchandising, Jobbing & Contracts	(2,588)	(2,823)	(235)
Revenues from Merchandising, Jobbing & Contracts	1,304	1,381	77
Revenues from Sinking & Other Funds-Interest Income	2,000	1,000	(1,000)
Medicare Part D Refund	122	110	(12)
Miscellaneous Non-Operating Income	207	300	93
Total Other Income	1,045	(32)	(1,077)
Reduction of Plant Cost Recovered through CIAC	(5,005)	(18,157)	(13,152)
NET INCOME BEFORE DEBT EXPENSE	(4,121)	(22,043)	(17,922)
DEBT EXPENSE			
Interest Expense - Long-Term Debt			
Interest on Ltd - Series 2016	1,497	1,419	(78)
Interest on Ltd - Series 2017	1,597	1,525	(72)
Interest on Ltd - Series 2020	2,477	2,433	(44)
Total Interest Expense - Long-Term Debt	5,571	5,377	(194)
Amortization of Debt Discount & Expense			
Amortization of Debt Disc & Exp - Series 2016	(579)	(507)	72
Amortization of Debt Disc & Exp - Series 2017	(465)	(443)	22
Amortization of Debt Disc & Exp - Series 2020	(640)	(629)	11
Total Amortization of Debt Discount & Expense	(1,684)	(1,579)	105
TOTAL DEBT EXPENSE	3,887	3,798	(89)
NET INCOME AFTER DEBT EXPENSE	(8,008)	(25,841)	(17,833)
Contributions in Aid of Construction	5,005	18,157	13,152
CHANGE IN NET POSITION	(3,003)	(7,684)	(4,681)

MEMPHIS LIGHT, GAS AND WATER DIVISION
 SOURCE AND APPLICATION OF FUNDS
 2023 BUDGET
 (THOUSANDS OF DOLLARS)

GAS DIVISION

PAGE 13

		REF. NO.
<u>SOURCE OF FUNDS:</u>		
FROM OPERATIONS:		
Change in Net Position	(7,684)	13-1
Non-Cash Charges to Income:		
Depreciation Charged to Operating Income	18,591	13-2
Depreciation Charged to Other Accounts	1,941	13-3
Amortization of Legacy Meters	1,423	13-4
Amortization of Software	3,915	13-5
TOTAL FUNDS FROM OPERATIONS	18,186	
Salvage	286	13-6
Financing: Debt Issuance	-	13-7
TOTAL FUNDS AVAILABLE	18,472	
<u>APPLICATION OF FUNDS:</u>		
Capital Expenditures	24,281	13-8
Costs of Removal and Other Charges to the Reserve for Depreciation	184	13-9
Retirement of Long Term Debt	4,335	13-10
TOTAL APPLICATION OF FUNDS	28,800	
INCREASE (DECREASE) IN WORKING CAPITAL	(10,328)	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL EXPENDITURES COMPARISON
FOR CALENDAR YEAR OF 2023

GAS DIVISION

PAGE 14

DESCRIPTION	THOUSANDS OF DOLLARS			REF. NO.
	2021 Actual	2022 BUDGET	2023 BUDGET	
PRODUCTION SYSTEM				
GAS - LNG PROCESSING FACILITIES	(179)	200	894	
GAS - CNG STATIONS	-	-	-	
TOTAL PRODUCTION SYSTEM	(179)	200	894	14-1
DISTRIBUTION SYSTEM				
GAS - APARTMENTS	17	-	-	14-2
GAS - RESIDENTIAL SERVICE IN S/D	-	12	9	14-3
GAS - RESIDENTIAL SERVICE NOT IN S/D	486	959	1,792	14-4
GAS - RESIDENTIAL S/D	-	-	7	14-5
GAS - LAND PURCHASE	-	225	225	14-6
GAS - GENERAL POWER SERVICE	737	6,413	3,769	14-7
GAS - GENERAL POWER S/D	162	254	7	14-8
GAS - MULTIPLE-UNIT GENERAL POWER	40	52	120	14-9
GAS - RELOCATE AT CUSTOMER REQUEST	168	341	834	14-10
GAS - PURCHASE OF METERS	-	2,745	3,446	14-11
GAS - STREET IMPROVEMENTS	317	5,261	3,714	14-12
GAS - NEW GAS MAIN	678	250	250	14-13
GAS - GAS MAIN/SERVICE REPL (D.O.T.)	4,997	5,535	6,156	14-14
GAS - TRANSMISSION PIPELINES AND FACILITIES	1,044	2,400	600	14-15
GAS - REGULATOR STATIONS	736	1,000	826	14-16
GAS - GATE STATIONS	3	1,500	930	14-17
GAS - PLANNED MAINTENANCE	2,562	4,994	5,094	14-18
JT - RESIDENTIAL SERVICE IN S/D	-	413	646	14-19
JT - RESIDENTIAL SERVICE NOT IN S/D	3	16	1	14-20
JT - RESIDENTIAL S/D	672	714	1,786	14-21
JT - APARTMENTS	-	-	8	14-22
GAS - EMERGENCY MAINTENANCE	715	1,578	1,610	14-23
GAS - DEMOLITION	63	-	-	14-24
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(2,479)	(5,005)	(18,157)	14-25
TOTAL - DISTRIBUTION SYSTEM	10,921	29,657	13,673	
GENERAL PLANT				
GAS - BUILDINGS & STRUCTURES	1,480	6,595	5,817	14-26
GAS - SECURITY AUTOMATION	-	941	173	14-27
GAS - FURNITURE & FIXTURES	-	238	255	14-28
GAS - AUDIOVISUAL	-	-	32	14-29
GAS - IS/IT PROJECTS	-	438	280	14-30
GAS - FLEET CAPITAL COMMON POWER OPERATED EQUIP	388	1,380	2,109	14-31
GAS - FLEET CAPITAL COMMON TRANSPORTATION EQUIP	557	4,201	3,030	14-32
GAS - FLEET GAS POWER OPERATED EQUIPMENT	276	1,646	1,279	14-33
GAS - FLEET GAS TRANSPORTATION EQUIPMENT	471	2,478	2,208	14-34
GAS - AUTOMATED FUELING STRUCTURE	-	-	60	14-35
GAS - TOOLS & EQUIPMENT	-	11	146	14-36
GAS - COMMON TOOLS & EQUIPMENT	27	133	207	14-37
GAS - CONTINGENCY FUNDS	-	200	200	14-38
TOTAL - GENERAL PLANT	3,199	18,261	15,796	
TOTAL - GAS DIVISION CATEGORIES	13,941	48,118	30,363	
Delayed Cost Allocations	510	(8,359)	(6,082)	14-39
TOTAL - GAS DIVISION	14,451	39,759	24,281	

**MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2023**

GAS DIVISION

PAGE 15

DESCRIPTION	IN BUDGET YEAR	REF. NO.
<u>PRODUCTION SYSTEM</u>		
Gas - LNG Processing Facilities	894,000	15-1
TOTAL GAS - PRODUCTION SYSTEM	894,000	
<u>DISTRIBUTION SYSTEM - MAJOR PROJECTS</u>		
<u>STREET IMPROVEMENTS</u>		
Holmes Rd, Malone Rd To Lamar Ave	1,200,000	15-2
SP 97/09 TDOT Summary Avenue	936,000	15-3
LL 09/02 Canada Rd, Re-Alignment, WO288164	300,000	15-4
ML 21/04, Navy Rd, Phase2, Church - Veterans Pkwy, Preliminary Plans	250,000	15-5
CP 16/16 Elvis Presley Middle Seg, WO288159	130,000	15-6
Airways @ Ketchum, W8Q08492, not released	125,000	15-7
CP 05/15, Malone Rd, Holmes to Shelby, WO672512	124,000	15-8
GT 16/01, Germantown Rd at Brierbrook, W8Q43005	124,000	15-9
CP 16/07, S Germantown Rd, N of Nonconnah TI, WO662236, released	85,000	15-10
CP 18/09 Bethel Grove Sewer Ext	75,000	15-11
SP 18/03, Danny Thomas Corridor Signal Improvements, WO600982	60,000	15-12
CP 20/07 Mysen @ Karstad, WO666987	50,000	15-13
BT 22/02, Easthill Subdivision - drainage, in design	50,000	15-14
CV 22/02, S Main Ext - drainage, in design	50,000	15-15
CP 20/06, Laudeen at Randall - drainage, Preliminary Plans	35,000	15-16
CP 20/03, Tchulahoma at Blue Bonnet, Preliminary Plans	30,000	15-17
AP 22/01 Chester St Bridge, Preliminary Plans	30,000	15-18
CV 21/03, Washington St, Main - Mt. Pleasant, Preliminary Plans	20,000	15-19
BT 22/01, Prosperity Subdivision - drainage, Preliminary Plans	15,000	15-20
CP 20/02, Hanna/Naylor - drainage, Preliminary Plans	10,000	15-21
CP 20/05, Mickey to Millbranch - drainage, Preliminary Plans	10,000	15-22
CV 22/09, Lillian Dr - drainage, Preliminary Plans	5,000	15-23
TOTAL GAS - STREET IMPROVEMENTS	3,714,000	
<u>NEW GAS MAIN</u>		
System Improvement Projections	250,000	15-24
TOTAL GAS - NEW GAS MAIN	250,000	
<u>GAS MAIN/SERVICE REPL (D.O.T.)</u>		
Steel Tap Replacement	5,698,000	15-25
Distribution Integrity Management Program (DIMP)	250,000	15-26
Unplanned Distribution Work	175,000	15-27
Corrosion Control	33,000	15-28
TOTAL GAS -GAS MAIN/SERVICE REPL (D.O.T)	6,156,000	
<u>TRANSMISSION PIPELINES AND FACILITIES</u>		
18" XXHP Pipeline Replacement @ Covington Pike & LNRR	430,000	15-29
Transmission Integrity Management Program (TIMP)	170,000	15-30
TOTAL TRANSMISSION PIPELINES AND FACILITIES	600,000	

**MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2023**

GAS DIVISION

PAGE 16

DESCRIPTION	IN BUDGET YEAR	REF. NO.
<u>DISTRIBUTION SYSTEM - MAJOR PROJECTS (Continued)</u>		
<u>REGULATOR STATIONS</u>		
Regulator Station Replacement	825,800	16-1
TOTAL GAS- REGULATOR STATION REPLACEMENT	825,800	
<u>GATE STATION</u>		
Gate Station Work	930,000	16-2
TOTAL GAS- GATE STATIONS	930,000	
TOTAL DISTRIBUTION SYS. - MAJOR PROJECTS	12,475,800	
<u>GENERAL PLANT</u>		
<u>BUILDINGS & STRUCTURES</u>		
SOUTH SERVICE CENTER		
Replace 6 Garage Overhead Doors	89,000	16-3
TOTAL SOUTH SERVICE CENTER	89,000	
NORTH SERVICE CENTER		
Building #8 (Re-cover over Stores 160,668 square foot roof)	3,200,000	16-4
Building #8 (Re-cover over office 24,000 square foot roof)	494,000	16-5
Concrete Pad for Transformers	420,000	16-6
Asphalt Paving & Concrete Slabs/ Drives - Phase 3	400,000	16-7
Replace 8 Garage Overhead Doors	119,000	16-8
Bucket Truck & Testing Pad	60,000	16-9
Building Services and Grounds Service Building	43,000	16-10
TOTAL NORTH SERVICE CENTER	1,536,000	
BRUNSWICK SERVICE CENTER		
Paving Upgrade - Phase 2	500,000	16-11
TOTAL BRUNSWICK SERVICE CENTER	500,000	
<u>HICKORY HILL SERVICE CENTER</u>		
Paving Upgrade - Phase 2 - Employee Parking Lot	250,000	16-12
TOTAL HICKORY HILL SERVICE CENTER	250,000	

**MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2023**

GAS DIVISION

PAGE 17

DESCRIPTION	IN BUDGET YEAR	REF. NO.
<u>GENERAL PLANT (Continued)</u>		
CHOCTAW		
Security Fencing around Choctaw and new property	80,000	17-1
Replace HVAC Roof-Top Units (7)	62,000	17-2
TOTAL CHOCTAW SERVICE CENTER	142,000	
LNG CAPLEVILLE		
Replace Control House Roof	100,000	17-3
TOTAL LNG CAPLEVILLE CENTER	100,000	
TOTAL BUILDINGS & STRUCTURES	2,617,000	
GAS - SECURITY AUTOMATION	172,800	17-4
GAS - FURNITURE & FIXTURES	254,638	17-5
GAS - AUDIOVISUAL	32,400	17-6
GAS - TOOLS & EQUIPMENT	145,800	17-7
GAS - TOOLS & EQUIPMENT COMMON	206,666	17-8
FLEET CAPITAL COMMON POWER OPERATED EQUIP	2,109,037	17-9
FLEET CAPITAL COMMON TRANSPORTATION EQUIP	3,030,556	17-10
FLEET GAS POWER OPERATED EQUIPMENT	1,278,688	17-11
FLEET GAS TRANSPORTATION EQUIPMENT	2,207,943	17-12
GAS - AUTOMATED FUELING STRUCTURE	60,000	17-13
IS/IT PROJECTS		
ETRM Phase 2 Project	280,000	17-14
TOTAL IS/IT PROJECTS	280,000	
CONTINGENCY FUNDS - GENERAL PLANT	200,000	17-15
TOTAL GENERAL PLANT	12,595,527	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL CARRYOVER SUMMARY*
FOR CALENDAR YEAR OF 2023

GAS DIVISION

PAGE 18

<u>CAPITAL CARRYOVER CATEGORY</u>	<u>CARRYOVER AMOUNT</u>
Power Operated and Transportation Equipment	5,114,461
Buildings & Structures	4,316,000
Distribution System	3,770,000
Data Processing- IS/IT	<u>280,000</u>
TOTAL CAPITAL CARRYOVER SUMMARY	<u>13,480,461</u>

*Carryover items constitute the funding necessary for capital projects or purchases not completed during the prior budget year. This would include projects which may have been delayed, large projects requiring multiple years to complete, or commodities ordered but not received. These items are part of the total 2023 Budget.

WATER DIVISION



MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2021 THROUGH 2023

WATER DIVISION

PAGE W 18

DESCRIPTION	THOUSANDS OF DOLLARS			REF. NO.
	2021 ACTUAL	2022 BUDGET	2023 BUDGET	
OPERATING REVENUE				
Sales Revenue	121,291	123,733	125,729	18-1
Revenue Adjustment for Uncollectibles	(574)	(886)	(629)	18-2
Non-Sales Revenue	5,428	5,156	5,526	18-3
OPERATING REVENUE	126,145	128,003	130,626	
OPERATING EXPENSE				
Production Expense	14,546	14,389	15,011	18-4
Distribution Expense	14,209	14,892	17,711	18-5
Customer Accounts Expense	6,814	8,093	8,598	18-6
Customer Service & Information Expense	977	1,138	1,148	18-7
Sales Expense	307	315	344	18-8
Administrative & General Expense	28,182	36,353	35,663	18-9
OPERATING EXPENSE	65,035	75,180	78,475	
MAINTENANCE EXPENSE				
Production Expense	2,839	3,215	3,613	18-10
Distribution Expense	8,544	9,123	9,864	18-11
Administrative & General Expense	3,190	3,849	3,645	18-12
MAINTENANCE EXPENSE	14,573	16,187	17,122	
OTHER OPERATING EXPENSE				
Depreciation Expense	11,522	11,564	11,197	18-13
Payment in Lieu of Taxes	4,500	4,500	4,600	18-14
F.I.C.A. Taxes	507	488	515	18-15
Amortization of Legacy Meters		452	452	18-16
OTHER OPERATING EXPENSE	16,529	17,004	16,764	
TOTAL OPERATING EXPENSE	96,137	108,371	112,361	
INCOME				
Operating Income	30,008	19,632	18,265	18-17
Other Income	1,094	1,049	1,094	18-18
Reduction of Plant Cost Recovered through CIAC	(3,928)	(3,769)	(6,412)	18-19
NET INCOME BEFORE DEBT EXPENSE	27,174	16,912	12,947	
DEBT EXPENSE				
Interest Expense - Existing Long - Term Debt	4,721	4,609	4,470	18-20
Amortization of Debt Discount & Expense	(1,075)	(1,049)	(1,020)	18-21
TOTAL DEBT EXPENSE	3,646	3,560	3,450	
NET INCOME AFTER DEBT EXPENSE	23,528	13,352	9,497	
Contributions in Aid of Construction	3,928	3,769	6,412	18-22
CHANGE IN NET POSITION*	27,456	17,121	15,909	

* Excludes Pension Non-Cash and Other Post Employment Benefits Non-Cash

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2022 THROUGH 2023

WATER DIVISION

PAGE 18a

DESCRIPTION	THOUSANDS OF DOLLARS		
	2022 BUDGET	2023 BUDGET	DIFFERENCE
OPERATING REVENUE			
Sales Revenue	123,733	125,729	1,996
Revenue Adjustment for Uncollectibles	(886)	(629)	257
Non-Sales Revenue			
Forfeited Discounts	1,508	1,571	63
Miscellaneous Service Revenue	1,668	2,000	332
Cross Connection Revenue	1,392	1,400	8
Other Operating Revenue	444	420	(24)
Rent from Electric/Gas Property	144	135	(9)
Total Non-Sales Revenue	5,156	5,526	370
OPERATING REVENUE	128,003	130,626	2,623
OPERATING EXPENSE			
Production Expense			
Chemicals	950	1,688	738
Operations Production Water Treatment	58	76	18
Fuel or Power Purchased for Pumping	7,449	7,500	51
Miscellaneous Expense	2,456	1,935	(521)
Operation Labor and Expenses	2,922	3,158	236
Operation Supervision and Engineering	237	309	72
Pumping Labor and Expenses	317	345	28
Total Production Expense	14,389	15,011	622
Distribution Expense			
Customer Installation Expenses	2,796	2,946	150
Meter Expenses	1,392	1,600	208
Miscellaneous Distribution Expenses ⁽¹⁾	8,075	9,980	1,905
Operation Supervision and Engineering	2,181	2,772	591
Storage Facilities	103	122	19
Transmission and Distribution Lines	343	291	(52)
Rents	2	-	(2)
Total Distribution Expense	14,892	17,711	2,819
Customer Accounts Expense			
Customer Order, Records and Collection Expenses	7,022	7,550	528
Meter Reading Expenses	945	923	(22)
Supervision-Customer Accounting and Collection	126	125	(1)
Total Customer Accounts Expense	8,093	8,598	505
Customer Service & Information Expense			
Customer Assistance Expenses	609	603	(6)
Informational and Instructional Advertising Expenses	247	244	(3)
Supervision-Customer Service and Information	282	301	19
Total Customer Service & Information Expense	1,138	1,148	10
Sales Expense			
Demonstrating and Selling Expenses	-	-	-
Miscellaneous Sales Expenses	315	344	29
Sales Expense and Supervision	-	-	-
Total Sales Expense	315	344	29
⁽¹⁾ Includes, but not limited to, the following items: Accrued vacation, absences such as holiday and sick leave, lost time due to bad weather, stand-by pay, and contract services.			

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2022 THROUGH 2023

WATER DIVISION

PAGE 18b

DESCRIPTION	THOUSANDS OF DOLLARS		
	2022 BUDGET	2023 BUDGET	DIFFERENCE
<u>OPERATING EXPENSE (Continued)</u>			
Administrative & General Expense			
Administrative and General Salaries	5,258	4,665	(593)
Administration Expenses Transferred to Capital	(1,532)	(2,364)	(832)
Pension Expense	3,560	3,516	(44)
Other Active & Retiree Benefits	8,621	8,579	(42)
Other Post Employment Benefits	749	243	(506)
Injuries and Damages	1,442	1,362	(80)
Miscellaneous General Expenses ⁽²⁾	4,304	5,786	1,482
Office Supplies and Expenses	1,613	1,557	(56)
Outside Services Employed	7,431	7,167	(264)
Property Insurance	671	727	56
Rents-Miscellaneous	4,236	4,425	189
Total Administrative & General Expense	36,353	35,663	(690)
OPERATING EXPENSE	75,180	78,475	3,295
<u>MAINTENANCE EXPENSE</u>			
Production Expense			
Maintenance of Pumping Equipment	862	1,036	174
Maintenance of Water Treatment Equipment	1,288	1,299	11
Maintenance of Wells	954	1,130	176
Maintenance Supervision and Engineering	111	148	37
Total Production Expense	3,215	3,613	398
Distribution Expense			
Maintenance of Hydrants	604	574	(30)
Maintenance of Meters	3,144	3,152	8
Maintenance of Miscellaneous Distribution Plant	39	96	57
Maintenance of Services	1,352	1,316	(36)
Maintenance of Transmission and Distribution Mains	3,984	4,726	742
Total Distribution Expense	9,123	9,864	741
Administrative & General Expense			
Maintenance of General Plant	1,575	919	(656)
Facilities Maintenance Expense	2,274	2,726	452
Total Administrative & General Expense	3,849	3,645	(204)
MAINTENANCE EXPENSE	16,187	17,122	935
<u>OTHER OPERATING EXPENSE</u>			
Depreciation Expense	11,564	11,197	(367)
Payment in Lieu of Taxes	4,500	4,600	100
F.I.C.A. Taxes	488	515	27
Amortization of Legacy Meters	452	452	-
OTHER OPERATING EXPENSE	17,004	16,764	(240)
TOTAL OPERATING EXPENSE	108,371	112,361	3,990
⁽²⁾ Includes, but not limited to, the following items: Mail distribution, property appraisals, security and janitorial services, and fuel use by MLGW.			

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2022 THROUGH 2023**

WATER DIVISION

PAGE 18c

DESCRIPTION	THOUSANDS OF DOLLARS		
	2022 BUDGET	2023 BUDGET	DIFFERENCE
INCOME			
Operating Income	19,632	18,265	(1,367)
Other Income			
Revenues from Sinking & Other Funds-Interest Income	500	471	(29)
Medicare Part D Refund	85	160	75
Miscellaneous Non-Operating Income	464	463	(1)
Total Other Income	1,049	1,094	45
Reduction of Plant Cost Recovered through CIAC	(3,769)	(6,412)	(2,643)
NET INCOME BEFORE DEBT EXPENSE	16,912	12,947	(3,965)
DEBT EXPENSE			
Interest Expense - Long-Term Debt			
Interest on Ltd - Series 2014	416	393	(23)
Interest on Ltd - Series 2016	770	732	(38)
Interest on Ltd - Series 2017	837	808	(29)
Interest on Ltd - Series 2020	2,586	2,537	(49)
Total Interest Expense - Long-Term Debt	4,609	4,470	(139)
Amortization of Debt Discount & Expense			
Amortization of Debt Disc & Exp - Series 2014	(47)	(44)	3
Amortization of Debt Disc & Exp - Series 2016	(157)	(149)	8
Amortization of Debt Disc & Exp - Series 2017	(178)	(171)	7
Amortization of Debt Disc & Exp - Series 2020	(667)	(656)	11
Total Amortization of Debt Discount & Expense	(1,049)	(1,020)	18
TOTAL DEBT EXPENSE	3,560	3,450	(121)
NET INCOME AFTER DEBT EXPENSE	13,352	9,497	(3,844)
Contributions in Aid of Construction	3,769	6,412	2,643
CHANGE IN NET POSITION	17,121	15,909	(1,212)

MEMPHIS LIGHT, GAS AND WATER DIVISION
SOURCE AND APPLICATION OF FUNDS
2023 BUDGET
(THOUSANDS OF DOLLARS)

WATER DIVISION

PAGE 19

		REF. NO.
<u>SOURCE OF FUNDS:</u>		
FROM OPERATIONS:		
Change in Net Position	15,909	19-1
Non-Cash Charges to Income:		
Depreciation Charged to Operating Income	11,197	19-2
Depreciation Charged to Other Accounts	460	19-3
Amortization of Legacy Meters	452	19-4
	28,018	
TOTAL FUNDS FROM OPERATIONS	28,018	
Salvage	71	19-5
Financing: Debt Issuance	-	19-6
	28,090	
TOTAL FUNDS AVAILABLE	28,090	
<u>APPLICATION OF FUNDS:</u>		
Capital Expenditures	42,532	19-7
Costs of Removal and Other Charges to the Reserve for Depreciation	782	19-8
Retirement of Long-Term Debt	6,505	19-9
	49,819	
TOTAL APPLICATION OF FUNDS	49,819	
INCREASE (DECREASE) IN WORKING CAPITAL	(21,729)	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL EXPENDITURES COMPARISON
FOR CALENDAR YEAR OF 2023

WATER DIVISION

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DESCRIPTION	THOUSANDS OF DOLLARS			REF. NO.
	2021 Actual	2022 BUDGET	2023 BUDGET	
PRODUCTION SYSTEM				
WATER - PUMPING STATIONS	2,391	13,093	19,938	20-1
WATER - OVERHEAD STORAGE TANKS	-	-	-	20-2
WATER - UNDERGROUND STORAGE RESERVOIRS	7,661	1,300	100	20-3
WATER - PRODUCTION WELLS	2,159	6,124	7,289	20-4
WATER - MONITORING WELLS	5	-	-	20-5
WATER - LAND PURCHASE	-	75	154	20-6
WATER- OPERATIONS MAINTENANCE	757	1,000	1,500	20-7
Contingency Fund - Production System	-	50	50	20-8
SUBTOTAL - PRODUCTION SYSTEM	12,973	21,642	29,031	
WATER - BUILDINGS & STRUCTURES	33	1,399	774	20-9
TOTAL PROD. SYSTEM - BLDGS. & STRUCT.	13,006	23,041	29,805	
DISTRIBUTION SYSTEM				
WATER - RESIDENTIAL SERVICE IN S/D	161	249	348	20-10
WATER - RESIDENTIAL SERVICE NOT IN S/D	328	368	966	20-11
WATER - RESIDENTIAL S/D	286	200	946	20-12
WATER - APARTMENTS	7	23	24	20-13
WATER - GENERAL POWER SERVICE	3,771	3,333	6,341	20-14
WATER - RELOCATE AT CUSTOMER REQUEST	141	104	157	20-15
WATER - STREET IMPROVEMENTS	835	4,141	4,094	20-16
WATER - NEW WATER MAIN	2,279	2,039	3,353	20-17
WATER- LEAD SERVICE REPLACEMENT	1,482	2,500	2,800	20-18
WATER - STORM RESTORATION	393	-	-	20-19
WATER - PURCHASE OF METERS	48	1,682	1,922	20-20
WATER - PLANNED MAINTENANCE	2,222	3,000	3,000	20-21
WATER - BOOSTER STATIONS	-	-	100	20-22
WATER - EMERGENCY MAINTENANCE	2,394	3,330	3,397	20-23
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(3,769)	(3,054)	(6,412)	20-24
TOTAL - DISTRIBUTION SYSTEM	10,578	17,915	21,036	
GENERAL PLANT				
WATER - BUILDINGS & STRUCTURES	891	-	-	20-25
WATER - SECURITY AUTOMATION	-	164	82	20-26
WATER - FLEET CAPITAL POWER OPERATED EQUIP	-	380	1,112	20-27
WATER - FLEET CAPITAL WATER TRANSPORTATION EQUIP	363	1,320	1,183	20-28
WATER- IS/IT PROJECTS WATER	-	130	-	20-29
WATER - LAB EQUIPMENT	51	-	-	20-30
WATER - CONTINGENCY FUND	-	200	200	20-31
TOTAL - GENERAL PLANT	1,305	2,194	2,577	
TOTAL - WATER DIVISION CATEGORIES	24,889	43,150	53,418	
Delayed Cost Allocations	(5,587)	(8,795)	(10,886)	20-32
TOTAL - WATER DIVISION	19,302	34,355	42,532	

**MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2023**

WATER DIVISION

PAGE 21

DESCRIPTION	IN	REF.
	BUDGET YEAR	NO.
<u>PRODUCTION SYSTEM</u>		
<u>PUMPING STATIONS</u>		
Allen Pumping Station		
Station Rehabilitation (CO)	642,000	21-1
Station Rehabilitation (New Allen)	4,000,000	21-2
Medium Voltage Breaker & Switchgear Replacements (CO)	180,000	21-3
Generator Replacement	1,500,000	21-4
Dedicated Well Electric Circuit Replacement	50,000	21-5
Total Allen Pumping Station	6,372,000	
Davis Pumping Station		
VFD, Motor & Transformer Replacements	1,190,000	21-6
Station Rehabilitation (CO)	142,000	21-7
Total Davis Pumping Station	1,332,000	
Lichterman Pumping Station		
VFD, Motor & Transformer Replacements	100,000	21-8
Station Rehabilitation (CO)	142,000	21-9
Total Lichterman Pumping Station	242,000	
LNG Pumping Station		
Engineer Distributed Process Control System Replacement	20,000	21-10
Install Distributed Process Control System Replacement	390,000	21-11
Station Rehabilitation	12,000	21-12
Total LNG Pumping Station	422,000	
Mallory Pumping Station		
VFD, Motor & Transformer Replacements	500,000	21-13
Medium Voltage Breaker & Switchgear Replacements	30,000	21-14
Generator Replacement (CO)	1,500,000	21-15
Station Rehabilitation	12,000	21-16
Total Mallory Pumping Station	2,042,000	
McCord Pumping Station		
Engineer Distributed Process Control System Replacement	10,000	21-17
Install Distributed Process Control System Replacement	800,000	21-18
VFD, Motor & Transformer Replacements	180,000	21-19
Station Rehabilitation	142,000	21-20
Total McCord Pumping Station	1,132,000	
Morton Pumping Station		
Engineer Distributed Process Control System Replacement	20,000	21-21
Install Distributed Process Control System Replacement	130,000	21-22
Station Rehabilitation	142,000	21-23
Total Morton Pumping Station	292,000	

**MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2023**

WATER DIVISION

PAGE 22

DESCRIPTION	IN BUDGET YEAR	REF. NO.
<u>PUMPING STATIONS CONT.</u>		
Palmer Pumping Station		
Engineer Distributed Process Control System Replacement	20,000	22-1
Install Distributed Process Control System Replacement	60,000	22-2
Station Rehabilitation	142,000	22-3
Total Palmer Pumping Station	222,000	
Shaw Pumping Station		
VFD, Motor & Transformer Replacements	1,640,000	22-4
Station Rehabilitation	1,092,000	22-5
Total Shaw Pumping Station	2,732,000	
Sheehan Pumping Station		
VFD, Motor & Transformer Replacements	180,000	22-6
Medium Voltage Breaker & Switchgear Replacements	100,000	22-7
Station Rehabilitation (CO)	1,150,000	22-8
Total Sheehan Pumping Station	1,430,000	
Miscellaneous Pumping Facilities		
Water Operations Capital Items (CO)	1,000,000	22-9
Engineering Services Contract (CO)	2,720,000	22-10
Total Miscellaneous Pumping Facilities	3,720,000	
TOTAL PUMPING STATIONS	19,938,000	
UNDERGROUND STORAGE RESERVOIRS		
Sheehan Pumping Station		
Engineer Wash Water Recovery Basin Replacement	100,000	22-11
Total Underground Storage Reservoirs	100,000	
<u>PRODUCTION WELLS</u>		
Mallory Pumping Station - Construct/Replace Well	1,747,251	22-12
Sheehan Pumping Station - Construct/Replace Well	3,494,502	22-13
Well Failures	1,747,251	22-14
Abandon Wells	300,000	22-15
TOTAL PRODUCTION WELLS	7,289,004	
<u>OPERATIONS MAINTENANCE</u>		
	1,500,000	22-16
<u>LAND PURCHASE</u>		
	154,000	22-17

MEMPHIS LIGHT, GAS AND WATER DIVISION
 SELECT CAPITAL EXPENDITURE BUDGETS
 FOR CALENDAR YEAR OF 2023

WATER DIVISION

PAGE 23

DESCRIPTION	IN BUDGET YEAR	REF. NO.
<u>BUILDINGS AND STRUCTURES</u>		
<u>McCord Pumping Station</u>		
Replace Site Paving	80,000	23-1
<u>Davis Pumping Station</u>		
Replace Roof - 14,100 sf	375,000	23-2
<u>SHEAHAN PUMPING STATION</u>		
Repave Drives	319,000	23-3
Total Building and Structure	774,000	
<u>CONTINGENCY FUND - PRODUCTION SYSTEM</u>		
	50,000	23-4
TOTAL PRODUCTION SYSTEM	29,805,004	
<u>DISTRIBUTION SYSTEM - MAJOR PROJECTS</u>		
<u>NEW WATER MAIN</u>		
Collecting Main Installation	2,000,000	23-5
Main Replacement Projects	100,000	23-6
Large Main Extensions	300,000	23-7
Miscellaneous Projects - Reimbursable	702,859	23-8
Major Valve Replacements/Additions	200,000	23-9
Minor System Improvements	50,000	23-10
TOTAL NEW WATER MAIN	3,352,859	
<u>STREET IMPROVEMENTS</u>		
City of Arlington Projects	150,000	23-11
City of Lakeland Projects	500,000	23-12
City of Memphis Projects	1,225,000	23-13
TDOT Projects	2,219,000	23-14
TOTAL STREET IMPROVEMENTS	4,094,000	
LEAD REPLACEMENT	2,800,000	23-15
TOTAL DISTRIBUTION SYSTEM - MAJOR PROJECTS	10,246,859	

**MEMPHIS LIGHT, GAS AND WATER DIVISION
 SELECT CAPITAL EXPENDITURE BUDGETS
 FOR CALENDAR YEAR OF 2023**

WATER DIVISION

PAGE 24

DESCRIPTION	IN BUDGET YEAR	REF. NO.
<u>GENERAL PLANT</u>		
WATER - SECURITY AUTOMATION	82,080	24-1
WATER - FLEET CAPITAL POWER OPERATED EQUIP	1,111,958	24-2
WATER - FLEET CAPITAL WATER TRANSPORTATION EQUIP	1,183,493	24-3
CONTINGENCY FUNDS	200,000	24-4
TOTAL GENERAL PLANT	2,577,530	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL CARRYOVER SUMMARY*
FOR CALENDAR YEAR OF 2023

WATER DIVISION

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<u>CAPITAL CARRYOVER CATEGORY</u>	<u>CARRYOVER AMOUNT</u>
Production	5,745,000
Distribution	2,019,000
Buildings & Structures	1,229,000
Power Transportation Equipment	1,047,563
Land Purchase	4,000
TOTAL CAPITAL CARRYOVER SUMMARY	<u>10,044,563</u>

*Carryover items constitute the funding necessary for capital projects or purchases not completed during the prior budget year. This would include projects which may have been delayed, large projects requiring multiple years to complete, or commodities ordered but not received. These items are part of the total 2023 Budget.



2023 - 2027 CAPITAL IMPROVEMENT PROGRAM



2023 ELECTRIC 5-YEAR CAPITAL IMPROVEMENT PROGRAM

ELECTRIC DIVISION

DESCRIPTION	2022 PROJECTION	2023 BUDGET	2024 PROJECTION	2025 PROJECTION	2026 PROJECTION	2027 PROJECTION
<u>SUBSTATION AND TRANSMISSION</u>						
Substation	\$ 9,853,964	\$ 21,022,015	\$ 24,442,201	\$ 29,132,157	\$ 29,089,546	\$ 13,848,663
Substation Circuit Breakers	\$ 4,710,689	\$ 4,417,278	\$ 3,350,000	\$ 3,350,000	\$ 3,350,000	\$ 3,350,000
Substation Transformers	\$ 3,708,918	\$ 6,708,918	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000
Transmission Lines	\$ 7,392,650	\$ 12,027,108	\$ 3,264,458	\$ 2,060,000	\$ 1,000,000	\$ 1,000,000
CONTRIBUTIONS IN AID OF CONSTRUCTION	\$ -	\$ (10,495,832)	\$ (4,607,153)	\$ -	\$ -	\$ -
TOTAL - SUBSTATION & TRANSMISSION	\$ 25,666,221	\$ 33,679,487	\$ 33,949,506	\$ 42,042,157	\$ 40,939,546	\$ 25,698,663
<u>DISTRIBUTION SYSTEM</u>						
Apartments	\$ 1,151,648	\$ 1,290,092	\$ 1,341,695	\$ 1,395,363	\$ 1,437,224	\$ 1,480,341
Def. Cable/Trans Replace	\$ 8,900,000	\$ 10,800,000	\$ 10,800,000	\$ 10,800,000	\$ 10,800,000	\$ 10,800,000
Demolition	\$ 35,207	\$ 36,615	\$ 38,080	\$ 39,603	\$ 41,187	\$ 42,834
Emergency Maintenance	\$ 4,273,866	\$ 6,197,531	\$ 6,321,482	\$ 6,447,912	\$ 6,576,870	\$ 6,708,407
General Power Service	\$ 10,593,576	\$ 17,455,726	\$ 16,111,955	\$ 12,336,433	\$ 12,706,526	\$ 13,087,722
General Power Service S/D	\$ 119,328	\$ 124,101	\$ 129,065	\$ 134,227	\$ 138,254	\$ 142,402
Mobile Home Park	\$ 5,495	\$ 5,715	\$ 5,944	\$ 6,182	\$ 6,367	\$ 6,558
Leased Outdoor Lighting	\$ 284,259	\$ 295,629	\$ 307,454	\$ 319,752	\$ 329,345	\$ 339,225
Duct Line Lease	\$ 30,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Distribution Automation	\$ 20,000,000	\$ 31,000,000	\$ 31,000,000	\$ 32,000,000	\$ 22,000,000	\$ 22,000,000
Line Reconstruction	\$ 950,000	\$ 5,250,000	\$ 5,250,000	\$ 5,250,000	\$ 5,250,000	\$ 5,250,000
Multiple-Unit Gen Power	\$ 348,571	\$ 362,514	\$ 377,015	\$ 392,095	\$ 403,858	\$ 415,974
New Circuits	\$ 728,000	\$ 12,025,000	\$ 5,200,000	\$ 3,750,000	\$ 1,000,000	\$ 1,000,000
Voltage Conversion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planned Maintenance	\$ 8,250,000	\$ 10,264,003	\$ 10,674,563	\$ 11,101,546	\$ 11,545,608	\$ 12,007,432
Distribution Pole Replacement	\$ 3,200,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Tree Trimming	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
Relocate at Customer Req	\$ 1,787,499	\$ 7,037,456	\$ 7,118,954	\$ 2,203,712	\$ 2,269,824	\$ 2,337,918
Residential S/D	\$ 151,309	\$ 161,561	\$ 168,023	\$ 174,744	\$ 179,986	\$ 185,386
Residential Svc in S/D	\$ 201,763	\$ 209,834	\$ 218,227	\$ 226,956	\$ 233,765	\$ 240,778
Residential Svc not S/D	\$ 2,770,256	\$ 2,881,067	\$ 2,996,309	\$ 3,116,162	\$ 3,209,647	\$ 3,305,936
JT-Resident S/D	\$ 4,368,612	\$ 4,856,392	\$ 5,050,647	\$ 5,252,673	\$ 5,410,254	\$ 5,572,561
JT-Resident Svc not S/D	\$ 6,637	\$ 6,903	\$ 7,179	\$ 7,466	\$ 7,690	\$ 7,921
JT-Residential Svc in S/D	\$ 1,493,481	\$ 1,553,220	\$ 1,615,349	\$ 1,679,963	\$ 1,730,362	\$ 1,782,273
JT-Apartments	\$ 16,481	\$ 34,776	\$ 36,167	\$ 37,613	\$ 38,742	\$ 39,904
Shared Use contract	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Storm Restoration	\$ 13,350,476	\$ -	\$ -	\$ -	\$ -	\$ -
Street Improvements	\$ 750,000	\$ 11,910,015	\$ 4,290,000	\$ 2,150,000	\$ 1,000,000	\$ 1,000,000
Street Light Maintenance	\$ 2,700,000	\$ 3,000,000	\$ 3,120,000	\$ 3,244,800	\$ 3,374,592	\$ 3,509,576
Street Lights Install	\$ 7,519,186	\$ 51,579,954	\$ 1,643,152	\$ 1,708,878	\$ 1,760,145	\$ 1,812,949
Temporary Service	\$ 807,872	\$ 844,386	\$ 878,162	\$ 913,288	\$ 940,687	\$ 968,907
Previously Capitalized items - Capacitor Banks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Previously Capitalized Items - Transformers	\$ 5,536,271	\$ 6,528,885	\$ 6,790,040	\$ 7,061,642	\$ 7,344,108	\$ 7,637,872
Previously Capitalized Items - Meters	\$ 17,115	\$ 1,922,497	\$ 2,408,496	\$ 2,783,774	\$ 2,591,385	\$ 2,315,160
Contributions in Aid of Construction	\$ (20,774,074)	\$ (26,875,194)	\$ (24,306,736)	\$ (19,385,566)	\$ (16,014,638)	\$ (16,405,074)
TOTAL - DISTRIBUTION SYSTEM	\$ 79,697,834	\$ 165,458,678	\$ 104,291,222	\$ 99,849,218	\$ 91,011,788	\$ 92,292,962
<u>GENERAL PLANT</u>						
Purchase of Land	\$ 230,000	\$ 484,930	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Buildings/Structures	\$ 696,824	\$ 13,002,200	\$ 31,085,800	\$ 24,486,400	\$ 1,218,900	\$ 709,000
Capital Security Automation	\$ 2,957,832	\$ 2,212,805	\$ 300,000	\$ 100,000	\$ 40,000	\$ 450,000
Lab and Test	\$ 305,640	\$ 386,100	\$ 405,405	\$ 425,675	\$ 446,959	\$ 469,307
Tools and Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Monitoring	\$ 134,750	\$ 11,135,000	\$ 4,360,000	\$ 3,150,000	\$ 550,000	\$ 650,000
Communication Equip	\$ 91,152	\$ 145,800	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Communication Towers	\$ 5,300,000	\$ 4,500,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Telecommunication Network	\$ 4,155,000	\$ 22,509,000	\$ 14,816,000	\$ 4,816,000	\$ 3,116,000	\$ 3,116,000
Fleet Capital Power Operated Equipment	\$ 270,416	\$ 6,936,280	\$ 3,826,303	\$ 4,055,881	\$ 4,299,234	\$ 4,557,188
Transportation Equipment	\$ 1,043,754	\$ 5,765,766	\$ 2,882,042	\$ 3,054,964	\$ 3,238,262	\$ 3,432,558
Data Processing	\$ -	\$ 17,787,882	\$ 8,220,000	\$ 7,920,000	\$ 6,917,373	\$ 4,475,000
IS/IT Projects	\$ 833,858	\$ -	\$ -	\$ -	\$ -	\$ -
CIS Development	\$ -	\$ 4,500,000	\$ 4,625,000	\$ 4,325,000	\$ 3,000,000	\$ 3,500,000
Business Continuity	\$ -	\$ 1,200,000	\$ 2,000,000	\$ 3,500,000	\$ 2,000,000	\$ 1,500,000
Contingency Fund - General Plant	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Allowance for Late Deliveries (Transportation)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL - GENERAL PLANT	\$ 16,019,226	\$ 90,765,763	\$ 73,770,550	\$ 57,083,920	\$ 26,076,728	\$ 24,109,053
Delayed Cost Allocations	\$ (24,277,000)	\$ (57,980,785)	\$ (42,402,256)	\$ (39,795,059)	\$ (31,605,612)	\$ (28,420,136)
TOTAL - ELECTRIC DIVISION	\$ 97,106,281	\$ 231,923,143	\$ 169,609,022	\$ 159,180,235	\$ 126,422,449	\$ 113,680,542

2023 GAS 5-YEAR CAPITAL IMPROVEMENT PROGRAM

GAS DIVISION

DESCRIPTION	2022 PROJECTION	2023 BUDGET	2024 PROJECTION	2025 PROJECTION	2026 PROJECTION	2027 PROJECTION
PRODUCTION SYSTEM						
LNG - Processing Facilities	\$ 60,000	\$ 894,000	\$ 6,600,000	\$ 1,300,000	\$ 2,800,000	\$ 1,300,000
CNG Stations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PRODUCTION SYSTEM	\$ 60,000	\$ 894,000	\$ 6,600,000	\$ 1,300,000	\$ 2,800,000	\$ 1,300,000
DISTRIBUTION SYSTEM						
Apartments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demolition	\$ -					
Emergency Maintenance	\$ 1,900,000	\$ 1,609,666	\$ 1,641,859	\$ 1,674,696	\$ 1,708,190	\$ 1,742,354
Gas Main-Svc Repl (DOT)	\$ 6,447,000	\$ 6,156,000	\$ 6,156,000	\$ 6,156,000	\$ 6,106,000	\$ 6,056,000
Gate Stations	\$ -	\$ 930,000	\$ 400,000	\$ 1,500,000	\$ 1,500,000	\$ -
General Power S/D	\$ 6,600	\$ 6,864	\$ 7,139	\$ 7,424	\$ 7,647	\$ 7,876
General Power Service	\$ 3,247,843	\$ 3,768,521	\$ 1,931,261	\$ 1,696,512	\$ 1,747,407	\$ 1,799,829
Multiple-Unit Gen Power	\$ 89,108	\$ 119,966	\$ 124,764	\$ 129,755	\$ 133,648	\$ 137,657
New Gas Main	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Trans Pipeline/Facilities	\$ 1,400,000	\$ 600,000	\$ 30,435,500	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000
Purchase of Land	\$ 4,105	\$ 225,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Operations Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	
Planned Maintenance	\$ 2,100,000	\$ 5,093,798	\$ 5,195,674	\$ 5,299,588	\$ 5,405,580	\$ 5,513,691
Regulator Stations	\$ 679,500	\$ 825,800	\$ 825,800	\$ 825,800	\$ 825,800	\$ 825,800
Relocate at Customer Req	\$ 676,949	\$ 834,196	\$ 867,564	\$ 902,267	\$ 929,335	\$ 957,215
Residential Svc in S/D	\$ 8,506	\$ 8,847	\$ 9,201	\$ 9,569	\$ 9,856	\$ 10,151
Residential Svc not S/D	\$ 1,527,238	\$ 1,791,979	\$ 1,863,658	\$ 1,938,204	\$ 1,996,350	\$ 2,056,241
Residential S/D	\$ 2,929	\$ 7,245	\$ 7,535	\$ 7,836	\$ 8,071	\$ 8,313
Street Improvements	\$ 1,000,000	\$ 3,714,000	\$ 2,200,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
JT-Resident S/D	\$ 1,588,330	\$ 1,786,022	\$ 1,857,462	\$ 1,931,761	\$ 1,989,714	\$ 2,049,405
JT-Resident Svc not S/D	\$ 1,130	\$ 1,175	\$ 1,222	\$ 1,271	\$ 1,309	\$ 1,349
JT-Resident in S/D	\$ 621,105	\$ 645,949	\$ 671,787	\$ 698,659	\$ 719,618	\$ 741,207
JT-Apartments	\$ -	\$ 7,581	\$ 7,884	\$ 8,199	\$ 8,445	\$ 8,699
Previously Capitalized Items - Meters & Metering Equipment	\$ -	\$ 3,446,366	\$ 3,252,399	\$ 3,395,875	\$ 3,785,755	\$ 3,873,652
Contributions in Aid of Construction	\$ (4,318,873)	\$ (18,155,928)	\$ (16,075,176)	\$ (14,615,778)	\$ (15,325,026)	\$ (8,525,486)
TOTAL DISTRIBUTION SYSTEM	\$ 17,231,470	\$ 13,673,047	\$ 41,706,533	\$ 13,892,638	\$ 13,882,699	\$ 20,088,953
GENERAL PLANT						
Buildings/Structures	\$ 2,910,842	\$ 5,817,000	\$ 3,726,000	\$ 4,465,200	\$ 175,000	\$ 220,000
Capital Security Automation	\$ 940,730	\$ 172,800	\$ 227,065	\$ 120,000	\$ 20,000	\$ 450,000
Furniture & Fixtures	\$ 237,600	\$ 254,638	\$ -	\$ -	\$ -	
Audiovisual	\$ -	\$ 32,400				
Tools and Equipment	\$ 6,767	\$ 145,800	\$ 153,090	\$ 160,744	\$ 168,781	\$ 177,220
Tools and Equipment - Common	\$ 16,491	\$ 206,666	\$ 217,000	\$ 227,850	\$ 239,243	\$ 251,205
Fleet Capital Transportation & Power Operated Equipment - Gas	\$ 1,524,783	\$ 3,486,631	\$ 1,679,702	\$ 1,780,484	\$ 1,887,313	\$ 2,000,552
Fleet Capital Transportation Equipment & Power Operated Equipment - Common	\$ 1,250,806	\$ 5,139,592	\$ 2,091,251	\$ 2,216,726	\$ 2,349,730	\$ 2,490,714
Automated Fueling Structure	\$ -	\$ 60,000	\$ 60,000			
IS/IT Projects	\$ -	\$ 280,000	\$ -	\$ -	\$ -	\$ -
Contingency Fund - General Plant	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
TOTAL - GENERAL PLANT	\$ 6,888,019	\$ 15,795,527	\$ 8,354,108	\$ 9,171,004	\$ 5,040,067	\$ 5,789,691
Delayed Cost Allocations	\$ (4,836,000)	\$ (6,081,663)	\$ (11,332,128)	\$ (4,872,729)	\$ (4,344,553)	\$ (5,435,728)
TOTAL - GAS DIVISION	\$ 19,343,489	\$ 24,280,911	\$ 45,328,513	\$ 19,490,913	\$ 17,378,213	\$ 21,742,916

2023 WATER 5-YEAR CAPITAL IMPROVEMENT PROGRAM

DESCRIPTION	2022 PROJECTION	2023 BUDGET	2024 PROJECTION	2025 PROJECTION	2026 PROJECTION	2027 PROJECTION
PRODUCTION SYSTEM						
Production Wells	\$ 4,587,714	\$ 7,289,004	\$ 7,289,004	\$ 7,289,004	\$ 7,289,004	\$ 7,289,004
Pumping Stations	\$ 7,099,097	\$ 19,938,000	\$ 34,752,781	\$ 50,950,781	\$ 53,290,781	\$ 51,200,000
Underground Storage Reservoirs	\$ 3,327,105	\$ 100,000	\$ 750,000	\$ 7,275,000	\$ 2,700,000	\$ -
Purchase of Land	\$ 4,400	\$ 154,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Operations Maintenance	\$ 1,600,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Contingency Fund - Production system	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
SUBTOTAL - PRODUCTION SYSTEM	\$ 16,618,316	\$ 29,031,004	\$ 44,491,785	\$ 67,214,785	\$ 64,979,785	\$ 60,189,004
SUBTOTAL - BLDGS. AND STRUCTURES	\$ 171,370	\$ 774,000	\$ 1,774,000	\$ 4,346,000	\$ 787,000	\$ -
TOTAL PROD. SYSTEM w/BLDGS & STRU	\$ 16,789,686	\$ 29,805,004	\$ 46,265,785	\$ 71,560,785	\$ 65,766,785	\$ 60,189,004
DISTRIBUTION SYSTEM						
Apartments	\$ 773	\$ 23,899	\$ 24,855	\$ 25,849	\$ 26,625	\$ 27,423
Emergency Maintenance	\$ 2,227,798	\$ 3,396,992	\$ 3,464,933	\$ 3,534,232	\$ 3,604,916	\$ 3,677,014
General Power Service	\$ 4,415,947	\$ 6,341,469	\$ 6,595,127	\$ 6,858,933	\$ 7,064,701	\$ 7,276,642
New Water Main	\$ 1,000,000	\$ 3,352,859	\$ 2,468,730	\$ 2,468,705	\$ 2,148,705	\$ 2,148,705
Lead Service Replacement	\$ 2,000,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000
Planned Maintenance	\$ 2,200,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Booster Stations	\$ -	\$ 100,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Relocate at Customer Req	\$ 98,870	\$ 157,412	\$ 163,709	\$ 170,257	\$ 175,365	\$ 180,626
Residential S/D	\$ 784,244	\$ 945,783	\$ 983,614	\$ 1,022,958	\$ 1,053,647	\$ 1,085,257
Residential Svc in S/D	\$ 332,476	\$ 347,875	\$ 361,790	\$ 376,261	\$ 387,549	\$ 399,175
Residential Svc not S/D	\$ 736,799	\$ 965,723	\$ 1,004,352	\$ 1,044,526	\$ 1,075,862	\$ 1,108,138
Street Improvements	\$ 2,125,000	\$ 4,094,000	\$ 3,250,000	\$ 2,500,000	\$ 2,000,000	\$ 2,000,000
WATER - STORM RESTORATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Previously Capitalized Items - Meters	\$ -	\$ 1,922,497	\$ 2,408,496	\$ 2,783,774	\$ 2,591,385	\$ 2,315,160
Contributions in Aid of Construction	\$ (3,239,705)	\$ (6,412,509)	\$ (17,146,538)	\$ (17,384,008)	\$ (17,049,234)	\$ (6,850,219)
TOTAL - DISTRIBUTION SYSTEM	\$ 12,682,202	\$ 21,036,000	\$ 9,879,068	\$ 9,701,487	\$ 9,379,521	\$ 19,667,921
GENERAL PLANT						
Buildings/Structures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Security Automation	\$ 164,160	\$ 82,080	\$ 44,279	\$ 111,841	\$ 99,998	\$ 449,999
Fleet Capital Power Operated Equipment	\$ -	\$ 1,111,958	\$ 1,186,625	\$ 1,257,822	\$ 1,333,292	\$ 1,413,289
Transportation Equipment	\$ 418,705	\$ 1,183,492	\$ 1,208,224	\$ 1,280,717	\$ 1,357,561	\$ 1,439,014
IS/IT Projects Water	\$ 5,813	\$ -	\$ -	\$ -	\$ -	\$ -
Tools and Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency Fund - General Plant	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
TOTAL - GENERAL PLANT	\$ 588,678	\$ 2,577,530	\$ 2,639,128	\$ 2,850,380	\$ 2,990,851	\$ 3,502,302
Delayed Cost Allocations	\$ (6,012,000)	\$ (10,885,988)	\$ (11,756,796)	\$ (16,822,530)	\$ (15,627,431)	\$ (16,671,845)
TOTAL - WATER DIVISION	\$ 24,048,566	\$ 42,532,546	\$ 47,027,185	\$ 67,290,122	\$ 62,509,726	\$ 66,687,382

NOTES FOR PAGE 3–Capital Expenditures Budget

Total Capital Expenditures

3-1	Total Capital Expenditures	Expected capital spend in 2023 budget year.
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NOTES FOR PAGE 4—INCOME & EXPENSE COMPARISON

Operating Revenue

4-1	Sales Revenue	This account includes projected revenue from the sale of electricity to the residential, commercial, industrial, outdoor lighting and traffic signal, and interdepartmental customer classes.
4-2	Revenue Adjustment for Uncollectibles	Per Governmental Accounting Standards Board (GASB) 34 requirements, bad debt expense must be shown as a reduction of revenue. This is the amount that will not be collected due to customer's inability to pay.
4-3	Non-Sales Revenue	This account includes revenue from forfeited discounts (extra charges for payments received after net due date), plus rent charged for Electric Division property that is used by the Gas and Water Divisions, and other miscellaneous revenue (e.g., fees for connecting service).

Operating Expense

4-4	Purchased Power	This account includes the cost of electricity purchased from TVA for resale to customers.
4-5	Transmission Expense	This account includes the cost of labor and expenses incurred in the supervision and operation of the transmission system. Included are load dispatching operations, transmission substations, switching stations, overhead and underground line expenses, and miscellaneous transmission expenses. Included in this account are inspecting and testing circuit breakers, switches, breakers, load testing of circuits, line patrolling, and routine inspection of manholes, conduit, network and transformer vaults.
4-6	Distribution Expense	This account includes the cost of labor and expenses incurred in the supervision and direct labor of the operation of the distribution system. Included are direct switching, arranging and controlling clearances for construction, maintenance test and emergencies, communication services provided for system control purposes and controlling system voltages. Also included are the expenses for operation of the overhead and underground distribution lines and stations, street lighting, meter expenses, work on customer installations in inspecting premises and in rendering services to customers, miscellaneous expenses and rent.
4-7	Customer Accounts Expense	This account includes the cost of labor, materials and expenses used in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints. It also includes meter reading expenses.
4-8	Customer Service and Information Expense	This account includes the cost of labor, materials and expenses incurred in providing instructions or assistance to customers, the object of which is to encourage safe, efficient, and economical use of services, and activities which convey information in utilizing electric services to protect health and safety, to encourage environmental protection, to use electrical equipment safely and economically and to conserve electric energy.
4-9	Sales Expense	This account includes the cost of labor, materials and expenses incurred in promotional, demonstrating and selling activities, advertising designed to promote or retain the use of utility services and miscellaneous sales expense. Included are exhibitions, displays, lectures, engineering and technical advice, advertising in newspapers, periodicals, billboards, radio, etc., postage on direct mail advertising, printing booklets, bulletins, etc.
4-10	Administrative and General Expense	This account includes the compensation of board members, executives, and other administrative and general employees of the utility not chargeable directly to a particular operating function. It also includes the cost of insurance to protect the utility against physical plant losses, cost of reserve accruals to protect the utility against injuries and damage claims of employees or others, such as liability, property damage, casualty, and employee liability. Employee pensions and benefits including payments to pension funds, life insurance, group medical expenses, payments for accident, sickness, hospital and death benefits, and expenses in connection with educational and wellness activities are also included in this account. In accordance with GASB 45, <i>Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension</i> , MLGW must recognize all post-employment benefits, such as medical insurance and life insurance, when earned, effective budget year 2007.

Maintenance Expense

4-11	Transmission Expense	This account includes the cost of labor, materials and expenses incurred in the maintenance of the transmission system, of structures, and station equipment. This includes maintenance of overhead lines and underground lines.
4-12	Distribution Expense	This account includes the cost of labor, materials, and expenses incurred in the maintenance of the distribution system, structures, plant, station equipment, overhead lines and underground lines, distribution line transformers, street lighting and signal systems, meters, and other miscellaneous distribution plant.
4-13	Administrative and General Expense	Please see Appendix 4-10.

NOTES FOR PAGE 4—INCOME & EXPENSE COMPARISON (Continued)

Other Operating Expense

4-14	Depreciation Expense	The purpose of depreciation is to allocate the original cost of a fixed asset over its estimated useful life. In a utility environment, the annual depreciation rate also takes into account the estimated salvage and cost of removal upon retirement.
4-15	Payment in Lieu of Taxes	Payment in lieu of taxes is the amount paid to the municipalities in which MLGW has plant. The formula for payment in lieu of taxes is based on the Municipal Electric System Tax Equivalent Law of 1987 and the Municipal Gas Equivalent Law which became effective July 1, 1988. The tax formula has two parts--net investment and revenue. The net investment includes plant in service and held for future use (net of depreciation), construction work-in-progress and materials inventory. The net investment is multiplied by an assessment ratio, the property tax rates for each governmental body, and an equalization rate set by the State. The revenue part of the formula is 4% of a three-year average of operating revenue less power cost.
4-16	F.I.C.A. Taxes	This represents the 1.45% Medicare portion of Social Security Tax which is required to be paid on all MLGW employees hired after 03-31-86.
4-17	Amortization of Legacy Meters	This account includes amortization charges related to expenditures on meters.
4-18	Amortization of Software	This account includes amortization charges related to expenditures on software.

Income

4-19	Operating Income	Operating income is equal to operating revenue less total operating expense.
4-20	Other Income	This consists primarily of investment income and property rentals and the electric prepayment agreement. It does not include any sales of electricity, gas or water.
4-21	Reduction of Plant Recovered through CIAC	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

Debt Expense

4-22	Interest Expense - Existing Long-Term Debt	Bond interest payments due 06-01 and 12-01 per the bond debt schedules are funded in equal monthly installments.
4-23	Amortization of Debt Discount and Expense	This represents the spreading of bond issuance costs over the life span of the bond series rather than recognizing such costs all at the time of sale.
4-24	Contributions in Aid of Construction	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

NOTES FOR PAGE 5—SOURCES AND APPLICATION OF FUNDS

Source of Funds

5-1	Change in Net Position	Please see Budget page 4c.
5-2	Depreciation Charged to Operating Income	Please see Appendix 4-14.
5-3	Depreciation Charged to Other Accounts	Depreciation charged to other accounts is the annual depreciation for transportation and power operated equipment. Depreciation on these plant items is charged to a clearing account and used in the equipment rate calculations.
5-4	Amortization of Legacy Meters	Non-cash expense related to amortization charges related to meter expenditures.
5-5	Amortization of Software	Non-cash expense related to amortization charges related to software expenditures.
5-6	Salvage	Salvage is the amount received for property retired from plant in service. The property may be sold for scrap or returned to stores inventory for reuse.
5-7	Debt Issuance	None.

Application of Funds

5-8	Capital Expenditures	Please see Budget page 6.
5-9	Costs of Removal and Other Charges to the Reserve for Depreciation	cost of removal is the cost associated with demolishing, dismantling, tearing down or otherwise removing utility plant, including the cost of transportation and labor.
5-10	Retirement of Long-Term Debt	Bond principal amounts due 12-01 per the bond debt schedules are funded in equal monthly installments

NOTES FOR PAGE 6—CAPITAL EXPENDITURES

Substation and Transmission

6-1	Substation	Please see Appendix 7-1 through 7-18.
6-2	Substation Transformers Replacement	Please see Appendix 7-19 through 7-21.
6-3	Substation Circuit Breakers Replacement	Please see Appendix 7-22 through 7-33..
6-4	Transmission Lines	Please see Appendix 8-1 through 8-11 .
6-5	Contributions in Aid of Construction	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

Distribution System**Major Projects**

6-6	Residential Service in S/D	All subdivisions that are fed internally by overhead electric primary lines.
6-7	Residential Service Not in S/D	Property not in subdivisions fed internally by overhead electric primary lines.
6-8	Residential S/D	Other property not in subdivisions fed internally by overhead electric primary lines.
6-9	Apartments	All apartments and mobile home communities that are fed internally by overhead electric primary lines.
6-10	General Power Service	Commercial properties that are fed internally by overhead or underground electric primary lines
6-11	General Power S/D	Commercial properties in subdivisions that are fed internally by overhead or underground electric primary lines
6-12	Mobile Home Park	All apartments and mobile home communities that are fed internally by overhead electric primary lines. No expenditures for the 2023 budget year.
6-13	Temporary Service	Services used for temporary construction
6-14	Multiple Unit General Power	Commercial properties and apartments that are fed internally by overhead or underground electric primary lines
6-15	Relocate At Customer Request	This budget category provides for the expenses incurred at customers request for facilities to be relocated.
6-16	Street Improvements	This budget category provides for the expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated. Please see Appendix 9-1 through 9-22.
6-17	New Circuits	Please see Appendix 8-12 through 8-21.
6-18	Voltage Conversion	This budget category describes projects whereby existing distribution lines are modified to have the system operated voltage converted from 12 KV to 23 KV.
6-19	Line Reconstruction/Remove Idle Facilities	This category describes projects whereby existing distribution lines are improved and/or removed. These projects can include instances where existing circuits are rebuilt to create ties to other circuits to improve reliability to customers; conductors are upgraded to increase the current carrying ability of the circuit; devices such as switches, voltage regulators, capacitors, or reclosers are added to a circuit to improve voltage/reliability; or existing idle facilities are removed to decrease losses.
6-20	Defect Cable/Feeder Cable Replacement	This category describes the systematic retrofitting of the Division's Underground Residential Distribution system. The cable is replaced as it reaches end-of-life as determined by in service failures. Obsolete transformers and other distribution hardware are also replaced in this category. Cable replacement was initiated in 1982.
6-21	Distribution Poles	The budget includes utility poles used to support overhead power lines and various other public utilities, such as electrical cable, fiber optic cable, and related equipment such as transformers and street lights.
6-22	Distribution Automation	To install communications and hardware to allow for remote/automated operation to provide for more advanced restoration capabilities.

NOTES FOR PAGE 6—CAPITAL EXPENDITURES (Continued)

Major Projects (Continued)

6-23	Street Lights Install	The budget includes work necessary to provide street light maintenance in existing subdivisions, along roadways, Memphis city annexations, and adjustments to lights in existing developments requested by the cities throughout the year. Includes COMLED conversion project.
6-24	Demolition	The budget includes demolition work.
6-25	Street Light Maintenance	The budget includes work necessary to provide street light maintenance in existing subdivisions, along roadways, Memphis city annexations, and adjustments to lights in existing developments requested by the cities throughout the year.
6-26	Planned Maintenance	Construction in minor work that arises daily. These are mainly calls that go through the Control Room, to include pole knockdowns, gas, and water leaks, etc.
6-27	Tree Trimming	Trim or remove trees interfering with overhead lines.
6-28	Operations Maintenance	No expenditures planned for the budget year.
6-29	Leased Outdoor Lighting (LOL)	LOL provides area and security lighting for residential, commercial and industrial customers in Memphis and Shelby County. LOL customers pay aid-to-construction for the installation of lighting fixtures and a monthly flat rate energy and facility fee. Services provided through LOL include engineering design of lighting systems to meet customer needs as well as building codes and standards. Installation and maintenance are handled through Distribution Support, using Division personnel and contracted labor.
6-30	Storm Restoration	This category shows actual expenditures for previous years related to storm restoration efforts. MLGW does not budget for unexpected storm related expenses. These storms are generally large enough to cause major damage to our electric distribution system. Funds expensed in this category are reimbursable by the Federal Emergency Management Agency.
6-31	Shared Use Contract	To account for small cell pole attachments.
6-32	Duct Line Lease	To account for leasing available duct line for fiber cable.
6-33	Emergency Maintenance	Emergency maintenance is minor capital unplanned work that arises daily. These are mainly calls that go through the Control Room, such as pole knockdowns, gas or water leaks, etc.
6-34	JT-Residential Service in S/D	All subdivisions that are fed internally by underground electric primary lines and all subdivisions and apartments that are joint trench (underground electric primary and gas in the same trench).
6-35	JT-Residential Service Not in S/D	All subdivisions that are fed internally by underground electric primary lines and all subdivisions and apartments that are joint trench (underground electric primary and gas in the same trench).
6-36	JT-Residential S/D	All subdivisions that are fed internally by underground electric primary lines and all subdivisions and apartments that are joint trench (underground electric primary and gas in the same trench).
6-37	JT-Apartments	All subdivisions that are fed internally by underground electric primary lines and all subdivisions and apartments that are joint trench (underground electric primary and gas in the same trench).
6-38	PCI-Capacitor Banks	No expenditures planned for the budget year.
6-39	PCI- Dist. Transformers	Purchase, receive, test and stock overhead type transformers for the Overhead Electric Distribution System--inventory levels are closely managed based on growth, new construction, history, voltage conversions and failures.
6-40	Elec Meters	The Electric Meter Area's capital budget for the purchase of electric metering equipment along with installation of revenue metering at the gate stations.
6-41	Contributions in Aid of Construction	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

General Plant

6-42	Buildings and Structures	Please see Appendix 9-24 through 9-26.
6-43	Security Automation	Please see Appendix 10-6.
6-44	Land Purchase	Please see Appendix 9-23.
6-45	Fleet Capital Power Operated	Please see Appendix 10-7.
6-46	Transportation Equipment	Please see Appendix 10-8.
6-47	Tools & Equipment	No expenditures planned for the 2023 budget year.
6-48	Lab & Test	Please see Appendix 10-10.
6-49	Communication Equipment	Please see Appendix 10-9.
6-50	Communication Towers	Please see Appendix 10-11.
6-51	Telecommunication Network	Please see Appendix 10-12 through 10-18.
6-52	Utility Monitoring	Please see Appendix 11-1.
6-53	Customer Information System Development	Please see Appendix 11-2 through 11-4.
6-54	Business Continuity	Please see Appendix 11-5 through 11-7.
6-55	Data Processing Equipment	Please see Appendix 11-8 through 11-20.
6-56	IS/IT Projects	No expenditures planned for the budget year.
6-57	Contingency Fund	Please see Appendix 11-21..
6-58	Delayed Cost Allocations	These are funds budgeted in the current year for items that may be delayed from the previous year's budget.

NOTES FOR PAGE 7-CAPITAL EXPENDITURES BUDGET

Substation & Transmission

Substation

7-1	Install Substation 83 161/23kV Facilities	Description/Location	Various locations
		Purpose/Necessity	Substation 83 161/23kV Facilities build
7-2	Replace RTU's various locations	Description/Location	Replace RTU's various locations
		Purpose/Necessity	Replace failed breakers
7-3	Replace relays various locations	Description/Location	Replace relays various locations
		Purpose/Necessity	Replace failed breakers
7-4	Install Substation 76 third 115/12 kV transformer	Description/Location	Install Substation 76 third 115/12
		Purpose/Necessity	Substation 76
7-5	Sub #44 Install Definite Purpose Capacitor Bank Breakers 44361 & 44363 Bank	Description/Location	Replace capacitor banks various locations
		Purpose/Necessity	Substation 44
7-6	Replace capacitor banks various locations	Description/Location	Replace capacitor banks various locations
		Purpose/Necessity	Replace failed breakers
7-7	AC Service for Breaker Storage Yard @ Substation 33	Description/Location	Various locations
		Purpose/Necessity	Install SATEC Metering
7-8	Replace batteries various locations	Description/Location	Replace batteries various locations
		Purpose/Necessity	Replace batteries various locations
7-9	Permanent Storage Solution for Mobile Substation @ Substation 33	Description/Location	Permanent Storage Solution for Mobile Substation
		Purpose/Necessity	Substation 33
7-10	Install 12 kV Circuit Breaker 47221 @ Substation 47 (Planning Request)	Description/Location	Install 12 kV Circuit Breaker 47221
		Purpose/Necessity	Substation 47
7-11	Sub #27 -- Install Cap Switchers on Cap Banks 7663 and 7665	Description/Location	Install Cap Switchers on Cap Banks 7663 and 7665
		Purpose/Necessity	Substation 27
7-12	Install 23 kV Circuit Breaker 5311 @ Substations 5 (Liberty Park PDO)	Description/Location	Install 23 kV Circuit Breaker 5311
		Purpose/Necessity	Substation 5
7-13	Install SATEC Metering at Various Substations (Distribution Automation)	Description/Location	Various locations
		Purpose/Necessity	Various locations
7-14	Substation 4 OH/UG Conversion Ckts 2395 & 2397 (City of Memphis)	Description/Location	Replace OH/UG Conversion Ckts 2395 & 2397 (City of Memphis)
		Purpose/Necessity	Implement Breaker Fail Scheme
7-15	Install Transmission Metering Equipment for Transmission Planning Monitoring	Description/Location	Transmission Metering Equipment
		Purpose/Necessity	Transmission Metering Equipment
7-16	Contingency Replace Switches	Description/Location	Replace switches
		Purpose/Necessity	Various locations
7-17	Other Miscellaneous Replace/Install	Description/Location	Substation
		Purpose/Necessity	Other Miscellaneous Replace/Install
7-18	Seismic Retrofit of Non-Structural Substation Components	Description/Location	Various locations
		Purpose/Necessity	Nonstructural anchorage, bracing or restraints for nonstructural control and metering equipment in substation control and oil buildings and in the electric operations/SCADA building. (2007 Multi-Hazard Risk Assessment)

NOTES FOR PAGE 7-CAPITAL EXPENDITURES BUDGET (Continued)

Substation/Transmission Projects (Continued)**Substation Transformers**

7-19	Replace 23/12 kV transformer banks 5335 & 5337 @ Substation 5	Description/Location	Substation 5
		Purpose/Necessity	Upgrade/update of existing aging infrastructure that is no longer adequate
7-20	Replace 115/12kV transformer banks 6555, 6557 & 6559 @ Substation 6	Description/Location	Substation 6
		Purpose/Necessity	Replacement of failed transformers at substations
7-21	Contingency Fund - General Plant	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year.	

Substation Circuit Breakers

7-22	Replace 161 kV Breakers 38625 38627 & 38659 @ Substation 38 (Aging Infrastructure)	Description/Location	Replace 161 kV Breakers 38625 38627 & 38659 @ Substation 38 (Aging Infrastructure)
		Purpose/Necessity	Substation 38
7-23	Contingency Replace Breakers	Description/Location	Replace failed breakers
		Purpose/Necessity	Replace failed breakers
7-24	Replace 12 kV Breaker 6609 @ Substation 26	Purpose/Necessity	Replace failed breakers
		Purpose/Necessity	Substation 26
7-25	Replace 12 kV Breaker 41259 @ Substation 41 (Aging Infrastructure)	Description/Location	Replace 12 kV Breaker 41259 @ Substation 41 (Aging Infrastructure)
		Purpose/Necessity	Replace failed breakers
7-26	Replace 23 kV Breaker 4301 @ Substation 4	Description/Location	Replace 23 kV Breaker 4301 @ Substation 4
		Purpose/Necessity	Replace failed breakers
7-27	Replace 12 kV Breaker 6259 @ Substation 6	Description/Location	Replace 12 kV Breaker 6259 @ Substation 6
		Purpose/Necessity	Replace failed breakers
7-28	Replace 12 kV Breaker 6257 @ Substation 6	Description/Location	Replace 12 kV Breaker 6609 @ Substation 26
		Purpose/Necessity	Replace failed breakers
7-29	Replace 12 kV Breaker 38257 @ Substation 38	Description/Location	Replace 12 kV Breaker 38257 @ Substation 38
		Purpose/Necessity	Replace failed breakers
7-30	Replace 23 kV Breaker 4361 @ Substation 4 (Aging Infrastructure)	Description/Location	Replace 23 kV Breaker 4361 @ Substation 4
		Purpose/Necessity	Replace failed breakers
7-31	Replace 23 kV Breaker 1837 @ Substation 11	Description/Location	Replace 23 kV Breaker 1837 @ Substation 11
		Purpose/Necessity	Replace failed breakers
7-32	Replace 23 kV Breaker 1835 @ Substation 11	Description/Location	Replace 23 kV Breaker 1835 @ Substation 11
		Purpose/Necessity	Replace failed breakers
7-33	Replace 23 kV Breaker 45349 @ Substation 45	Description/Location	Replace 23 kV Breaker 45349 @ Substation 45
		Purpose/Necessity	Replace failed breakers

NOTES FOR PAGE 8-CAPITAL EXPENDITURES BUDGET

Substation/Transmission Projects (Continued)**Substation/Transmission Projects**

8-1	Structure #1613 Bank Stabilization (USACE Section 14 Funding)	Description/Location	Structure #1613 Bank Stabilization
		Purpose/Necessity	Bank Stabilization to prevent Tower #1613 from falling into Wolf River.
8-2	Misc. projects (OPGW, structure replacements, etc.)	Description/Location	Misc. projects (OPGW, structure replacements, etc.)
		Purpose/Necessity	Install small fiber communication jobs, structure replacements/upgrades and bank stabilization at various locations.
8-3	Sub 83 Cut-in	Description/Location	Substation 83
		Purpose/Necessity	Substation 83 Cut-in
8-4	OPGW 42-23	Description/Location	OPGW 42 - 23
		Purpose/Necessity	Install fiber communication between Substations 42 & 23.
8-5	OPGW 11-35	Description/Location	OPGW 11 - 35
		Purpose/Necessity	Install fiber communication between Substations 11 & 35.
8-6	Structure #1871 Bank Stabilization (USACE Section 14 Funding)	Description/Location	Structure #1871 Bank Stabilization
		Purpose/Necessity	USACE Section 14 Funding
8-7	UAV Contract #12134	Description/Location	UAV Contract #12134
		Purpose/Necessity	UAV Contract #12134
8-8	LIDAR Survey Impacts (NERC)	Description/Location	LIDAR Survey Impacts (NERC)
		Purpose/Necessity	LIDAR Survey Impacts (NERC)
Transmission - Reimbursable			
8-9	TVA CC Plant - Transmission Improvements	Description/Location	TVA CC Plant - Transmission Improvements
		Purpose/Necessity	Reimbursable improvements made at various locations as a result of the TVA CC Plant.
8-10	TDOT Lamar & Shelby Drive	Description/Location	TDOT Lamar & Shelby Drive
		Purpose/Necessity	Lamar & Shelby Drive
8-11	Contribution In Aid of Construction - CIAC	Description/Location	Contribution In Aid of Construction - CIAC
		Purpose/Necessity	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

Distribution System - Major Projects**New Circuits Out of Substations**

8-12	Sub 83	Description/Location	Install multiple circuit ties for station 83 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-13	Sub 83 Cabling (6 ckts)	Description/Location	Install multiple circuit ties for station 83 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-14	Substation 84 Ckt Ties	Description/Location	Install multiple circuit ties for station 84 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-15	New Ckt Sub 84 North	Description/Location	Install multiple circuit ties for station 84 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-16	Sub 83 Ckt Ties	Description/Location	Install multiple circuit ties for station 83 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-17	Other 2020-24 Projects	Description/Location	Install multiple circuit ties for Other Projects.
		Purpose/Necessity	Reliability and switching flexibility
8-18	Kellogg's Alternate CKT Upgrade	Description/Location	Kellogg's Alternate CKT upgrade
		Purpose/Necessity	Reliability and switching flexibility
8-19	Sub 84, Germantown Rd. Steel Pole Line	Description/Location	Install multiple circuits for substation 84 - Germantown Rd. Steel Pole Line
		Purpose/Necessity	Reliability and switching flexibility
8-20	Schilling Farms Circuit Tie(s)	Description/Location	Install multiple circuits at Schilling Farms
		Purpose/Necessity	Reliability and switching flexibility
8-21	Ckt Ties in Sub 15/84/68 Area	Description/Location	Install Ckt Ties in Sub 15/84/68 Area
		Purpose/Necessity	Reliability and switching flexibility

Miscellaneous Reimbursable Projects

8-22	Pinch District Improvements	Description/Location	Downtown area
		Purpose/Necessity	This project will relocate/improve electric facilities in conjunction with the proposed improvements to the Pinch District in downtown Memphis.
8-23	Other Relocate at Customer Request Projects	Description/Location	Downtown area
		Purpose/Necessity	Relocating/improving electric facilities in conjunction with the proposed improvements in various areas at customers request.

NOTES FOR PAGE 9-CAPITAL EXPENDITURES BUDGET

Street Improvement Projects

9-1	SR-4/US-78/Lamar, south of SR-175/Shelby Dr. to Raines/Perkins Interchange Phase 2	Description/Location	SR-4/US-78/Lamar, south of SR-175/Shelby Dr. to Raines/Perkins Interchange Phase 2
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-2	SR-1/US-70/Summer Ave, from Macon Rd to Elmore Rd	Description/Location	SR-1/US-70/Summer Ave, from Macon Rd to Elmore Rd
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities.
9-3	Elvis Presley Blvd. North and Middle Section	Description/Location	Eves Presley Corridor-North and Middle Section
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-4	Other Projections 2023-2027	Description/Location	Other Projections 2023-2027
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-5	Germantown Road @Wolf River Blvd (GT 16/01)	Description/Location	Germantown Rd. at Wolf River Blvd.
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-6	Holmes Road, Malone to US-78/Lamar (CP 04/38)	Description/Location	Holmes Road, Malone to US-78/Lamar (CP 04/38)
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-7	SR-14, from Kerrville Rosemark to Tipton County Line	Description/Location	SR-14, from Kerrville Rosemark to Tipton County Line
		Purpose/Necessity	Relocate utilities SR-14, from Kerrville Rosemark to Tipton County Line
9-8	Malone, Holmes to Shelby Drive	Description/Location	Malone, Holmes to Shelby Drive
		Purpose/Necessity	Relocate utilities Malone, Holmes to Shelby Drive
9-9	LL 09/02 - New Canada Rd. (Re-Alignment N of I-40 to US-70)	Description/Location	LL 09/02 - New Canada Rd. (Re-Alignment N of I-40 to US-70)
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-10	Airways @ Ketchum (SP 11/07)	Description/Location	Airways @ Ketchum (SP 11/07)
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-11	Navy Road, Phase 2, Church to Veterans Pkwy	Description/Location	Navy Road, Phase 2, Church to Veterans Pkwy
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-12	Washington Street Improvements, Main to Mt. Pleasant	Description/Location	Washington Street Improvements, Main to Mt. Pleasant
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-13	Bartlett Road @ Ivanhoe - Signal	Description/Location	Bartlett Road @ Ivanhoe - Signal
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-14	Corsica at Pine Bark Drainage	Description/Location	Corsica at Pine Bark Drainage
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-15	Easthill Subdivision - Drainage	Description/Location	Easthill Subdivision - Drainage
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-16	Mickey to Millbranch - Drainage (MSQ2)	Description/Location	Mickey to Millbranch - Drainage (MSQ2)
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-17	Prosperity Subdivision - Drainage	Description/Location	Prosperity Subdivision - Drainage
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-18	S. Main St. Extd. - Drainage	Description/Location	S. Main St. Extd. - Drainage
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-19	Dexter Lane north of Rainsong Cove Drainage	Description/Location	Dexter Lane north of Rainsong Cove Drainage
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities

ELECTRIC DIVISION

NOTES FOR PAGE 9 – CAPITAL EXPENDITURES BUDGET (CONT'D)

9-20	Germantown Rd at Legacy Drive - Drain RCP repair	Description/Location	Germantown Rd at Legacy Drive - Drain RCP repair
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-21	Lillian Drive - Drainage (MSQ2)	Description/Location	Lillian Drive - Drainage (MSQ2)
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-22	Tonto Road - Drainage Project	Description/Location	Tonto Road - Drainage Project
	Tonto Road - Drainage Project	Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities

General Plant

Buildings and Structures

9-23	Purchase of Land	Description/Location	Land purchase or the acquisition of land rights for distribution and transmission line facilities.
		Purpose/Necessity	To accommodate electric facilities, transmission lines, feeder circuits, etc.

Substations

9-24	Replace Roofs - Various Substations	Description/Location	Various Substations
		Purpose/Necessity	This project was identified in the Master Roof Plan to be replaced at this time due to increased maintenance, potential leaking, and projected life expectancy.

Electrical & Systems Operations

9-25	New Storeroom Building	Description/Location	Needed to store special material purchased by the electric groups that are not purchased and managed by stores.
		Purpose/Necessity	New Storeroom Building
9-26	Radio Tower Bldg: Replace 874 sq ft roof	Description/Location	Radio Tower Bldg: Replace 874 sq ft roof
		Purpose/Necessity	Repairs necessary due to increased maintenance, potential leaking, and projected life expectancy.

NOTES FOR PAGE 10-CAPITAL EXPENDITURES BUDGET

Netters Business Operations Center

10-1	UPS Battery Replacement	Description/Location	Replace UPS battery which occurs every 5 years
		Purpose/Necessity	UPS battery replacement for uninterrupted power supply in computer room
10-2	Building Upgrades	Description/Location	Building upgrades
		Purpose/Necessity	Building upgrades
10-3	EV Charging Stations	Description/Location	Electric Vehicle charging stations
		Purpose/Necessity	Electric Vehicle charging stations
10-4	Expansion Property Site Development	Description/Location	Expansion property north of Choctaw
		Purpose/Necessity	Purchased property (Choctaw); site development which includes fencing, automatic gate, roads and stored items.
10-5	Implement Distribution Automation Relay Testing Lab/Training Facility	Description/Location	Build Training, Engineering, Automation and Modernization (TEAM) Lab, TBD
		Purpose/Necessity	TEAM Lab facility will be used to test device capabilities and configurations, validate device functionality, educate and train field/operations personnel, and provide dedicated testing and training space for full system automation familiarly and maintenance.
10-6	Security Automation	Description/Location	Various locations
		Purpose/Necessity	Install card readers on control house doors, install a CCTV system, install fence alarms and various security upgraded throughout the division.
10-7	Fleet Capital Power Operated Equipment	Description/Location	Division equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for crews to complete job assignments. Replacements are evaluated based on age, actual operational usage, projected usage, repair cost and frequency, parts availability, and effectiveness to meet areas needs. Additions are evaluated based on justification request and proper approval.
10-8	Transportation Equipment	Description/Location	Division equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for crews to complete job assignments. Replacements are evaluated based on age, actual operational usage, projected usage, repair cost and frequency, parts availability, and effectiveness to meet areas needs. Additions are evaluated based on justification request and proper approval.
10-9	Communication Equipment	Description/Location	Control Area for Communication Equipment
		Purpose/Necessity	To satisfy the Division needs for Electric Communication Equipment for the Budget. The replacement policy is broken down into the following categories: 1. Lost or Stolen; 2. Damaged Beyond Repair; 3. Not Repairable/No Abuse; 4. Obsolete
10-10	Lab & Test	Description/Location	Control Area for Lab & Test Equipment
		Purpose/Necessity	To satisfy the Division needs for Electric Laboratory Equipment. The replacement policy is broken down into the following categories: 1. Lost or Stolen; 2. Damaged Beyond Repair; 3. Not Repairable/No Abuse; 4. Obsolete
Communication Towers			
10-11	Microwave/Mobile Radio	Description/Location	Reconfigure microwave loop for Netters radio tower
		Purpose/Necessity	Installation of Netters radio tower requires reconfiguration of microwave loop
Telecommunication Network			
10-12	Distribution Automation Communication Infrastructure	Description/Location	Wireless and fiber infrastructure across Shelby County
		Purpose/Necessity	Upgrading communications infrastructure, wireless and fiber, to provide a reliable and resilient network for operation of Distribution Automation by Electric Operations during electrical service interruptions.
10-13	DA Network Improvements	Description/Location	Memphis and Shelby County
		Purpose/Necessity	Installation of Distribution Automated Switches to improve responsiveness and aid in reducing customer minutes interrupted. Projected to install over 1100 automated distribution switches over a five year period.
10-14	Fiber Optic Multiplexers	Description/Location	Purchase and install fiber optic end equipment (places light on the optical fibers and "makes them work") at various locations.
		Purpose/Necessity	Enable communications over proposed fiber optic cable.
10-15	Fiber Optic Cable and Equipment	Description/Location	Install fiber optic cable at various locations.
		Purpose/Necessity	Provide fiber optic communications to specified facilities.
10-16	Telecommunication Systems Growth	Description/Location	Telecom systems growth - various locations. This is to cover unplanned and unforeseen Telecom expenditures that typically occur.
		Purpose/Necessity	Previous Telecom budgets had separate line items for systems growth in Mobile Radio, Fiber Optic, Microwave, Voice Recorder, Video Conferencing, Audio Conferencing, Voice System etc. This item consolidates the separate items.
10-17	TDOT Summer Avenue Job	Description/Location	Summer Avenue
		Purpose/Necessity	TDOT Project
10-18	Voice Network	Description/Location	Replace Administration Building telephone switch
		Purpose/Necessity	Replace obsolete switch; reconfigure voice system to have three "master" switches that provide service to all MLGW facilities instead of separate switches at each location.

NOTES FOR PAGE 11-CAPITAL EXPENDITURES BUDGET (General Plant Continued)

General Plant (continued)Utility Monitoring & Control Systems

11-1	Systems Backup Control & Communication Plan (CO)	Description/Location	SCADA and CARES Systems long-term development
		Purpose/Necessity	Support long-term development of SCADA and CARES systems which involves implementation of backup system, upgrade of SCADA communications systems which includes relocating communication paths from ESO to fiber ring.

Customer Info System (CIS) Development

11-2	BillGen Replacement (Carryover)	Description/Location	Replace the current BillGen system.
		Purpose/Necessity	GSA-3 customers may become Time Of Use (TOU) customers in October 2018. The current BillGen would not be able to handle these additional customers.
11-3	IRV and Call Center Expansion Project	Description/Location	The current IVR system does not allow MLGW to make its own changes. The vendor must make the changes to the IVR system. The new system would allow MLGW to make changes as needed to better meet customer needs and improve customer experience.
		Purpose/Necessity	To improve customer ease of use and experience.
11-4	Electric Meter Test Board replacement	Description/Location	The Electric Meter Area's capital budget for the purchase of electric metering equipment along with installation of revenue metering at the gate stations.
		Purpose/Necessity	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

Business Continuity

11-5	Business Continuity/Disaster Recovery Site	Description/Location	DR/BC Recovery Site
		Purpose/Necessity	This is a multi-year project upgrade disaster recovery systems to include an out-region location
11-6	Data Center Enhancements Connectivity Improvements	Description/Location	Improve Data Center Operations
		Purpose/Necessity	To upgrade connectivity core infrastructure to support failover of critical systems between two data centers.
11-7	User Requested Projects	Description/Location	Small Project Capital Contingency
		Purpose/Necessity	Contingency funds allocated for unplanned small capital projects

Purchase of Data Processing Equipment

11-8	HPE Storage Area Network (SAN) Replacement/Expansion	Description/Location	Storage Area Network Replacement
		Purpose/Necessity	To replace three (3) 9-year-old Storage Area Network (SAN) arrays at two data centers. These arrays consist of about 1.9 Peta Bytes (PB) of data which host data and virtual server environments.
11-9	Field Use Laptop Replacements	Description/Location	Field Use Laptop Replacements
		Purpose/Necessity	The current CF31s have been in production for 5 years and the extended warranty will expire in 2023. These are the Crew reporting Toughbooks.
11-10	AI Project (carryover)	Description/Location	Artificial Intelligence Project
		Purpose/Necessity	The implementation of artificial intelligence software with advanced search capabilities is needed to improve decision making by using data mining to quickly convert data to useful information with an augmented digital assistant.
11-11	Storage Area Network for Backup Systems	Description/Location	Backup Systems Expansion
		Purpose/Necessity	Add additional storage to backup systems for physical and virtual onsite backups with replication between data centers.
11-12	DNS/DHCP System Replacement	Description/Location	Virtual Server Infrastructure
		Purpose/Necessity	Add additional server blade capacity to existing farm which will increase capacity for up to 1000 virtual servers running across 2 data centers.
11-13	Annual Network Upgrades- New	Description/Location	Annual Network Upgrade
		Purpose/Necessity	To increase reliability and redundancy/failover of user access, applications and Customer satisfaction by adding additional network switches in the System Operations Data Center.
11-14	Annual New/Replacement Servers New	Description/Location	Annual New/Replacement Servers
		Purpose/Necessity	Purchase or replace existing servers which have reached end-of-life and will no longer be supported by the manufacturer.
11-15	Project Portfolio Management Software (Carryover)	Description/Location	Project Portfolio Management Tool.
		Purpose/Necessity	The system will centralize MLGW's project portfolio to provide the capability to organize and prioritize projects and align those projects with MLGW's strategic goals and objectives.

NOTES FOR PAGE 11-CAPITAL EXPENDITURES BUDGET (General Plant Continued)			
11-16	Work Center Wireless (outdoor) - Carryover	Description/Location	Work Center Wireless (outdoor)
		Purpose/Necessity	To expand MLGW's wireless outdoor network at North, South, Hickory Hill and Brunswick service centers.
11-17	Network Access Control for End Points (Carryover)	Description/Location	Network Access Control for End Points
		Purpose/Necessity	This system will provide continuous security monitoring and mitigation of devices that connect to MLGW's network. The system will discover, classify and assess every connected device for security threats and automatically take appropriate actions to mitigate or eliminate the risk posed by that device.
11-18	Network Security Upgrades and Enhancements	Description/Location	Network Security
		Purpose/Necessity	Increase network security by replacing or upgrading end-of-line equipment and adding new security equipment.
11-19	Corporate Wireless Upgrade and Enhancements	Description/Location	Wireless Networking
		Purpose/Necessity	Increase coverage area and reliability of the wireless network by adding new access points, replacing or upgrading end-of-life equipment.
11-20	PC Equipment	Description/Location	PC equipment (above \$5,000 unit cost) requested for various reasons
		Purpose/Necessity	PC equipment requested for various reasons including: additional functionality, laptops with docking stations to replace desktop PCs, and laptops needing replacement ahead of schedule due to software requirements.
11-21	Contingency Fund - General Plant	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year.	

NOTES FOR PAGE 12—INCOME & EXPENSE COMPARISON

Operating Revenue

12-1	Sales Revenue	This account includes projected revenue from the sale of natural gas to the residential, commercial, industrial, and interdepartmental customer classes.
12-2	Revenue Adjustment for Uncollectible	Per Governmental Accounting Standards Board (GASB) 34 requirements, bad debt expense must be shown as a reduction of revenue. This is the amount that will not be collected due to customers inability to pay.
12-3	Non-Sales Revenue	This account includes revenue from forfeited discounts (extra charges for payments received after net due date), plus rent charged for Gas Division property that is used by the Electric and Water Divisions, other miscellaneous revenue (e.g., fees for connecting/disconnecting service), and charges for transporting gas, CNG and LNG within the MLGW system for those industrial customers who arrange for purchase of their gas from suppliers other than MLGW and customer prepay industrial gas sales.

Operating Expense

12-4	Production – LNG Plant	This account includes the cost of expenses incurred in the cost of fuel used in extracting salable products from natural gas and of operation of storage facilities and equipment.
12-5	Purchased Gas	This account includes the cost of natural gas and transportation of this gas to be used for injection into the system for resale.
12-6	Compressed Natural Gas (CNG)	This account includes the cost of compressed natural gas and transportation of this gas to be used for injection into the system for resale.
12-7	Liquefied Natural Gas (LNG)	This account includes the cost of liquefied natural gas and transportation of this gas to be used for injection into the system for resale.
12-8	Industrial Gas	This account includes the cost of prepay industrial gas and transportation of this gas to be used for injection into the system for resale.
12-9	Distribution Expense	This account includes the cost of labor and expenses incurred in the operation of the distribution system. Included are costs incurred in dispatching and controlling the supply and flow of the gas through the distribution system, in operating system mains and services, in operating general distribution measuring and regulating stations, and in removing, resetting, changing, testing, and servicing customer meters and house regulators. Also included in this account are the expenses incurred in work on customer premises, rents and other expenses.
12-10	Customer Accounts Expense	This account includes the cost of labor, materials and expenses used in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints. It also includes meter reading expenses.
12-11	Customer Service and Information Expense	This account includes the cost of labor, materials and expenses incurred in providing instructions or assistance to customers, the object of which is to encourage safe, efficient, and economical use of services, and activities which convey information in utilizing services to protect health and safety, to encourage environmental protection, to use electrical equipment safely and economically and to conserve energy.
12-12	Sales Expense	This account includes the cost of labor, materials and expenses incurred in promotional, demonstrating and selling activities, advertising designed to promote or retain the use of utility services and miscellaneous sales expense. Included are exhibitions, displays, lectures, engineering and technical advice, advertising in newspapers, periodicals, billboards, radio, etc., postage on direct mail advertising, printing booklets, bulletins, etc.
12-13	Administrative and General Expense	This account includes the compensation of board members, executives, and other administrative and general employees of the utility not chargeable directly to a particular operating function. It also includes the cost of insurance to protect the utility against physical plant losses, cost of reserve accruals to protect the utility against injuries and damage claims of employees or others, such as liability, property damage, casualty, and employee liability. Employee pensions and benefits including payments to pension funds, life insurance, group medical expenses, payments for accident, sickness, hospital and death benefits, and expenses in connection with educational and wellness activities are also included in this account. In accordance with GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension, MLGW must recognize all post-employment benefits, such as medical insurance and life insurance, when earned, effective budget year 2007.

Maintenance Expense

12-14	Production Expense	This account includes the cost of labor, materials and expenses incurred in the maintenance of liquefaction equipment, of measuring and regulating equipment, structures, station equipment and other equipment.
12-15	Distribution Expense	This account includes the cost of labor, materials and expenses incurred in the maintenance of distribution facilities, of structures, of distribution mains, of measuring and regulating equipment, of services, and of meters and house regulators.
12-16	Administrative and General Expense	Please see Appendix 12-13.

NOTES FOR PAGE 12—INCOME & EXPENSE COMPARISON (Continued)

Other Operating Expense

12-17	Depreciation Expense	The purpose of depreciation is to allocate the original cost of a fixed asset over its estimated useful life. In a utility environment, the annual depreciation rate also takes into account the estimated salvage and cost of removal upon retirement.
12-18	Payment in Lieu of Taxes	Payment in lieu of taxes is the amount paid to the municipalities in which MLGW has plant. The formula for payment in lieu of taxes is based on the Municipal Electric System Tax Equivalent Law of 1987 and the Municipal Gas Equivalent Law which became effective July 1, 1988. The tax formula has two parts -- net
12-19	F.I.C.A. Taxes	This represents the 1.45% Medicare portion of Social Security Tax that is required to be paid on all MLGW employees hired after 03-31-1986.
12-20	Amortization of Leasehold Improvements	This account includes amortization charges related to expenditures on leased property where the service life of the improvements are terminable by action of the lease.
12-21	Amortization of Legacy Meters	This account includes amortization charges related to expenditures on meters.
12-22	Amortization of Software	This account includes amortization charges related to expenditures on software.

Income

12-23	Operating Income	Operating income is equal to operating revenue less total operating expense.
12-24	Other Income	This consists primarily of investment income and property rentals. It does not include any sales of electricity, gas or water. Includes revenue and expenses related to gas yard service.
12-25	Reduction of Plant Recovered through CIAC	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

Debt Expense

12-26	Interest Expense -Long Term Debt	Bond interest payments due 06-01 and 12-01 per the bond debt schedules are funded in equal monthly installments.
12-27	Amortization of Debt Discount & Expense	This represents the spreading of bond issuance costs over the life span of the bond series rather than recognizing such costs all at the time of sale.
12-28	Contributions in Aid of Construction	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

NOTES FOR PAGE 13—SOURCES AND APPLICATION OF FUNDS

Source of Funds

13-1	Change in Net Position	
13-2	Depreciation Charged to Operating Income	
13-3	Depreciation Charged to Other Accounts	Depreciation charged to other accounts is the annual depreciation for transportation and power operated equipment. Depreciation on these plant items is charged to a clearing account and used in the equipment rate calculations.
13-4	Amortization of Legacy Meters	Non-cash expense related to employee pension expenses above or below actual funding due to change in accounting principles.
13-5	Amortization of Software	Non-cash expense related to amortization charges related to software expenditures.
13-6	Salvage	Salvage is the amount received for property retired from plant in service. The property may be sold for scrap or returned to stores inventory for reuse.
13-7	Debt Issuance	None budgeted.

Applications of Funds

13-8	Capital Expenditures	Please see Budget page 13.
13-9	Costs of Removal and Other Charges to the Reserve for Depreciation	Cost of removal is the cost associated with demolishing, dismantling, tearing down or otherwise removing utility plant, including the cost of transportation and labor.
13-10	Retirement of Long-Term Debt	Bond principal amounts due 12-01 per the bond debt schedules are funded in equal monthly installments during 2023.

NOTES FOR PAGE 14—CAPITAL EXPENDITURES BUDGET

Production System

14-1	LNG Processing Facilities	LNG Processing Facilities- Purchase and installation of regeneration heating equipment, replacement of
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Distribution System

14-2	Apartments	This budget category provides for the expenses incurred by the Gas Division for developer requests for gas facilities located in a subdivision.
14-3	Residential Service in S/D	This budget category provides for the expenses incurred by the Gas Division for customer requests for service located in a subdivision.
14-4	Residential Service Not in S/D	This budget category provides for the expenses incurred by the Gas Division for customer requests for service not located in a subdivision.
14-5	Residential S/D	This budget category provides for the expenses incurred by the Gas Division for developer requests for gas facilities located in a subdivision.
14-6	Land Purchase	This budget category provides for the purchase of land rights that will be needed for Capital Budget Projects.
14-7	General Power Service	This budget category provides for the expenses incurred by the Gas Division for customer requests for new General Power Service.
14-8	General Power S/D	This budget category provides for the expenses incurred by the Gas Division for customer requests for new General Power Service located in a subdivision.
14-9	Multiple-Unit General Power	This budget category provides for the expenses incurred by the Gas Division for customer requests for multiple units of new General Power Service by the same customer and general location.
14-10	Relocate At Customer Request	This budget category provides for the expenses incurred by the Gas Division for customer requests to relocate existing gas facilities.
14-11	Purchase of Meters	This budget category provides for the expenses incurred from buying new gas meters and reconditioning existing gas meters.
14-12	Street Improvements	This budget category provides for the expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated. Please see Appendix 16-1 through 16-11.
14-13	New Gas Main	This budget category provides for the expenses incurred for the installation of miscellaneous new gas mains and facilities.
14-14	Gas Main/Service Repl (D.O.T.)	This budget category provides for replacement of old cast iron main that requires excessive maintenance and that has a history of leaking. This is a 30 year project that began in 1991, requested by the TN Regulatory Authority to replace 330 miles and was completed in 2021. This budget category also provides for replacement of steel taps and associated services, if needed, that have a history of leaking. This is a program initiated by DIMP findings.
14-15	Transmission Pipelines and Facilities	This budget category provides for the expenses incurred for maintenance of cased gas transmission crossings required by regulatory changes, minor repair of transmission pipelines from scheduled inspections, and minor transmission improvements.
14-16	Regulator Stations	This budget line item provides for the expenses incurred from upgrading obsolete regulator station equipment. The DOT Code mandates that regulators must be maintained to operate within the design parameters of the gas distribution system.
14-17	Gate Stations	This budget line item provides for the expenses related to gas piping systems that are discovered to be unsafe due to corrosion defects, aged facilities, third party damages, or necessary relocations due to erosion problems for transmission as well as distribution.
14-18	Planned Maintenance	Construction in minor work that arises daily. These are mainly calls that go through the Control Room, to include pole knockdowns, gas, and water leaks, etc.
14-19	JT-Residential Service in S/D	This budget category provides for the expenses incurred by the Gas Division for customer requests for gas facilities in a joint trench subdivision.

Distribution System (Continued)

14-20	JT-Residential Service not in S/D	This budget category provides for the expenses incurred by the Gas Division for developer requests for gas facilities in a joint trench subdivision.
14-21	JT-Residential Service in S/D	This budget category provides for the expenses incurred by the Gas Division for developer requests for gas facilities in a joint trench subdivision.
14-22	JT-Apartments	This budget category provides for the expenses incurred by the Gas Division for developer requests for gas facilities in a joint trench apartment development.
14-23	Emergency Maintenance	This budget line item provides for emergency repair work when leaks and cut facilities require immediate repair.
14-24	Demolition	No expenditures planned for the 2023 budget year.
14-25	Contributions in Aid of Construction	This budget line item provides for the payment that was predicted to be received from the developer and/or customer for the requested gas facilities to serve their development, businesses and/or new homes.

NOTES FOR PAGE 14–CAPITAL EXPENDITURES BUDGET (Continued)

General Plant

14-26	Buildings and Structures	Please see Appendix 16-3 through 17-3.
14-27	Security Automation	Please see Appendix 17-4.
14-28	Purchase of Furniture & Fixtures	Please see Appendix 17-5.
14-29	Audiovisual	Please see Appendix 17-6.
14-30	IS/IT Projects	Please see Appendix 17-14.
14-31	Fleet Capital Common Power Operated Equip	Please see Appendix 16-5.
14-32	Fleet Capital Common Transportation Equip	Please see Appendix 16-6.
14-33	Fleet Gas Power Operated Equipment	Please see Appendix 16-7.
14-34	Fleet Gas Transportation Equipment	Please see Appendix 16-8.
14-35	Automated Fueling Structure	Please see Appendix 17-13.
14-36	Tools & Equipment	Please see Appendix 17-7.
14-37	Common Tools & Equipment	Please see Appendix 17-8.
14-38	Contingency Funds	Please see Appendix 17-15.
14-39	Delayed Cost Allocations	These are funds budgeted in the current year for items that may arrive late from the previous year's budget.

NOTES FOR PAGE 15-CAPITAL EXPENDITURES BUDGET

Production System

15-1	LNG Processing Facilities	Description/Location	Projects related to Capital Maintenance of the Capleville Liquefied Natural Gas Facility.
		Purpose/Necessity	Projects related to Capital Maintenance of the Capleville Liquefied Natural Gas Facility.

Distribution System- Major Projects

Street Improvements

15-2	Holmes Rd, Malone Rd to Lamar Ave.	Description/Location	Holmes Rd, Malone Rd to Lamar Ave.
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-3	SP 97/09 TDOT Summer Avenue	Description/Location	Summer Avenue
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-4	LL 09/02 Canada Rd, Re-Alignment, WO288164	Description/Location	Canada Road
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-5	ML 21/04, Navy Rd, Phase2, Church - Veterans Pkwy, Preliminary Plans	Description/Location	Navy Rd., Phase 2 Church - Veterans Pkwy
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-6	CP 16/16 Elvis Presley Middle Seg, WO288159	Description/Location	Elvis Presley Middle Seg, WO288159
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-7	Airways @ Ketchum, W8Q08492, not released	Description/Location	Airways @ Ketchum
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-8	CP 05/15, Malone Rd, Holmes to Shelby	Description/Location	Holmes Rd to Shelby Drive
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-9	GT 16/01, Germantown Rd at Brierbrook, W8Q43005	Description/Location	Germantown Rd at Brierbrook
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-10	CP 16/07, S Germantown Rd, N of Nonconnah TI, WO662236, released	Description/Location	S. Germantown Rd. N of Nonconnah TI
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-11	CP 18/09 Bethel Grove Sewer Ext	Description/Location	Bethel Grove Sewer Ext
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-12	SP 18/03, Danny Thomas Corridor Signal Improvements, WO600982	Description/Location	Danny Thomas Corridor
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-13	CP 20/07 Mysen @ Karstad, WO666987	Description/Location	Mysen @ Karstad

GAS DIVISION

NOTES FOR PAGE 15—CAPITAL EXPENDITURES BUDGET (Continued)

		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-14	BT 22/02, Easthill Subdivision - drainage, in design	Description/Location	Easthill Subdivision
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-15	CV 22/02, S Main Ext - drainage, in design	Description/Location	South Main Ext drainage
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-16	CP 20/06, Laudeen at Randall drainage, Preliminary Plans	Description/Location	Laudeen at Randall
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-17	CP 20/03, Tchulahoma at Blue Bonnet, Preliminary Plans	Description/Location	Tchulahoma at Blue Bonnet
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-18	AP 22/01 Chester St Bridge, Preliminary Plans	Description/Location	Chester St Bridge
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-19	CV 21/03, Washington St, Main - Mt. Pleasant, Preliminary Plans	Description/Location	Washington St, Main - Mt. Pleasant
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-20	BT 22/01, Prosperity Subdivision - drainage, Preliminary Plans	Description/Location	Prosperity Subdivision
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-21	CP 20/02, Hanna/Naylor - drainage, Preliminary Plans	Description/Location	Hanna/Naylor
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-22	CP 20/05, Mickey to Millbranch - drainage, Preliminary Plans	Description/Location	Mickey to Millbranch
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-23	CV 22/09, Lillian Dr - drainage, Preliminary Plans	Description/Location	Lillian Drive
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.

NOTES FOR PAGE 15—CAPITAL EXPENDITURES BUDGET (Continued)

New Gas Main

15-24	System Improvement Projections	Description/Location	System Improvement Projections
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.

Gas Main/Service Repl (D.O.T.)

15-25	Steel Tap Rep Replacement	Description/Location	Location(s) vary due to system prioritization needs and City paving schedules.
		Purpose/Necessity	This budget category provides for replacement of steel couplings on steel service taps that requires excessive maintenance and has a history of leaking.
15-26	Distribution Integrity Management Program (DIMP)	Description/Location	Locations vary due to system needs.
		Purpose/Necessity	Planned work to address risks to the distribution system, undocumented mains.
15-27	Unplanned Distribution Work	Description/Location	Locations vary due to system needs.
		Purpose/Necessity	This budget category provides for the expenses incurred from replacing steel services, valves or mains with new PE services, valves and mains due to a CP issue that must be addressed in that calendar year.
15-28	Corrosion Control	Description/Location	Locations vary due to system needs.
		Purpose/Necessity	This budget category provides for the expenses incurred from replacing steel services, valves or mains with new PE services, valves and mains due to a CP issue that must be addressed in that calendar year.

Transmission Pipelines and Facilities

15-29	18" XXHP Pipeline Replacement @ Covington Pike & LNRR	Description/Location	18" XXHP Pipeline Replacement @ Covington Pike & LNRR
		Purpose/Necessity	This budget line item provides for the expenses related to gas piping systems that are discovered to be unsafe due to corrosion defects, aged facilities, third party damages, or necessary relocations due to erosion problems for transmission as well as distribution.
15-30	Transmission Integrity Management Program (TIMP)	Description/Location	TIMP Initiative
		Purpose/Necessity	Pressure tests and other work on transmission piping required by PHMSA to confirm MAOP, Replace sections of transmission pipeline in MCA, Install pig launchers and receivers.

NOTES FOR PAGE 16–CAPITAL EXPENDITURES BUDGET (Continued)

General Plant

Distribution System - Major Projects (Continued)

Regulator Station Replacement

16-1	Regulator Station Replacement	Description/Location	Regulator station replacement
		Purpose/Necessity	Regulator stations are used to reduce the pressure of the gas to the appropriate operating pressure for each system

Gate Station

16-2	Gate Station Work	Description/Location	Gas Station Work
		Purpose/Necessity	Gas Station Work

General Plant (Continued)

Buildings and Structures

South Service Center

16-3	Replace 6 Garage Overhead Doors	Description/Location	South Service Center
		Purpose/Necessity	Replacing 6 garage overhead doors

North Service Center

16-4	Building #8 (Re-cover over Stores 160,668 square foot	Description/Location	North Service Center
		Purpose/Necessity	Security Automation
16-5	Building #8 (Re-cover over office 24,000 square foot roof)	Description/Location	North Service Center
		Purpose/Necessity	This project was recommended to store Building Services and Grounds' chemicals used for facility maintenance activities.
16-6	Concrete Pad for Transformers	Description/Location	North Service Center
		Purpose/Necessity	Concrete Pad needed to relocate transformers to the new property north of the Choctaw facility. This will open up space for the Heavy Equipment building vehicle parking. This is needed to accommodate the Central Shops move to the North Service Center.
16-7	Asphalt Paving & Concrete Slabs/ Drives - Phase 3	Description/Location	North Service Center
		Purpose/Necessity	This project was identified in the Master Plan. All asphalt drives, parking areas are in very bad shape. Also, there is a need to pave areas for safe movement of material.
16-8	Replace 8 Garage Overhead Doors	Description/Location	North Service Center
		Purpose/Necessity	Replacing 8 garage overhead doors
16-9	Bucket Truck & Testing Pad	Description/Location	North Service Center
		Purpose/Necessity	New testing pad to be constructed at the North Service Center to replace the existing one located at Central Shops.
16-10	Building Services and Grounds Service Building	Description/Location	North Service Center
		Purpose/Necessity	All projects are targeted in the Facilities master plan based on expected life expectancy and existing maintenance issues.

Brunswick Service Center

16-11	Paving Upgrade - Phase 2	Description/Location	Brunswick Service Center
		Purpose/Necessity	All roof replacement projects are targeted in the Facilities master plan based on expected life expectancy and existing maintenance issues.

Hickory Hill Service Center

16-12	Paving Upgrade - Phase 2 - Employee Parking Lot	Description/Location	Hickory Hill Service Center
		Purpose/Necessity	All roof replacement projects are targeted in the Facilities master plan based on expected life expectancy and existing maintenance issues.

GAS DIVISION

NOTES FOR PAGE 17-CAPITAL EXPENDITURES BUDGET			
Choctaw			
17-1	Security Fencing around Choctaw and new property	Description/Location	Choctaw
		Purpose/Necessity	Security Fencing around Choctaw and new property
17-2	Replace HVAC Roof-Top Units (7)	Description/Location	Choctaw
		Purpose/Necessity	All roof replacement projects are targeted in the Facilities master plan based on expected life expectancy and existing maintenance issues.
17-3	Replace Control House Roof	Description/Location	Choctaw
		Purpose/Necessity	All roof replacement projects are targeted in the Facilities master plan based on expected life expectancy and existing maintenance issues.
17-4	Security Automation	Description/Location	Choctaw
		Purpose/Necessity	Security Automation
17-5	Furniture & Fixtures	Description/Location	Division furniture and fixtures used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Replacements are evaluated based on age, actual usage, projected usage, repair cost, frequency and effectiveness to meet areas' needs. Additions are evaluated based on justification request and proper approval.
17-6	Audiovisual	Description/Location	Division audiovisual equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Replacements are evaluated based on age, actual usage, projected usage, repair cost, frequency and effectiveness to meet areas' needs. Additions are evaluated based on justification request and proper approval.
17-7	Tools & Equipment	Description/Location	Division tools/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Tools are considered replacements for the following reasons: i. Damaged beyond repair; ii. Worn from time/age/use, cost does not justify repair; iii. Lost/Stolen report submitted in a timely manner; iv. No longer suited for work being done, replace with a new model; v. Safety hazard; vi. Repair cost is at or above 50% of cost of new tool; vii. High occurrence of maintenance that creates excessive downtime.
17-8	Tools & Equipment Common	Description/Location	Division tools/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Tools are considered replacements for the following reasons: i. Damaged beyond repair; ii. Worn from time/age/use, cost does not justify repair; iii. Lost/Stolen report submitted in a timely manner; iv. No longer suited for work being done, replace with a new model; v. Safety hazard; vi. Repair cost is at or above 50% of cost of new tool; vii. High occurrence of maintenance that creates excessive downtime.
17-9	Fleet Capital Common Power Operated Equipment	Description/Location	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Replacements are evaluated based on age, actual operational usage, projected usage, repair cost and frequency, parts availability, and effectiveness to meet areas' needs. Additions are evaluated based on justification request and proper approval.
17-10	Fleet Capital Common Transportation Equipment	Description/Location	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Replacements are evaluated based on age, actual operational usage, projected usage, repair cost and frequency, parts availability, and effectiveness to meet areas' needs. Additions are evaluated based on justification request and proper approval.

GAS DIVISION

NOTES FOR PAGE 17-CAPITAL EXPENDITURES BUDGET (Continued)			
17-11	Fleet Gas Power Operated Equipment	Description/Location	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Replacements are evaluated based on age, actual operational usage, projected usage, repair cost and frequency, parts availability, and effectiveness to meet areas' needs. Additions are evaluated based on justification request and proper approval.
17-12	Fleet Gas Transportation Equipment	Description/Location	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Replacements are evaluated based on age, actual operational usage, projected usage, repair cost and frequency, parts availability, and effectiveness to meet areas' needs. Additions are evaluated based on justification request and proper approval.
17-13	Gas - Automated Fueling Structure	Description/Location	Automated fueling structure
		Purpose/Necessity	Automated fueling structure
IS/IT Projects			
17-14	ETRM Phase 2 Project	Description/Location	Energy Trading and Risk Management
		Purpose/Necessity	Replace SCADA/Cares consoles
17-15	Contingency Fund - General Plant	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year.	

NOTES FOR PAGE 18—INCOME & EXPENSE COMPARISON

Operating Revenue

18-1	Sales Revenue	This account includes projected revenue from the sale of water to the residential, commercial, resale, and interdepartmental customer classes, as well as revenue from fire protection services.
18-2	Revenue Adjustment for Uncollectible	Per Governmental Accounting Standards Board (Water) 34 requirements, bad debt expense must be shown as a reduction of revenue. This is the amount that will not be collected due to customers inability to pay.
18-3	Non-Sales Revenue	This account includes revenue from forfeited discounts (charges for payments received after net due date), plus rent charged for Water Division property that is used by the Electric and Water Divisions, and other miscellaneous revenue (e.g., fees for connecting/disconnecting service).

Operating Expense

18-4	Production Expense	This account includes the cost of labor and expenses incurred in the general supervision and operation of the water source of supply facilities, the power production and pumping facilities, and the water treatment expenses. Also included is the fuel used in the production of power to operate the pumps, all chemicals used in the treatment of water and miscellaneous expenses including general clerical labor, building services, general operating supplies and care of grounds.
18-5	Distribution Expense	This account includes the cost of labor and expenses incurred in the operation of distribution reservoirs and tanks, meter expenses, customer installation expenses and miscellaneous expenses including preparing maps and prints, general clerical support, operating records, service interruption, trouble records, and other miscellaneous labor.
18-6	Customer Accounts Expense	This account includes the cost of labor and expenses incurred in the reading of customer meters, in customer applications, orders, contracts, credit investigations, billing and accounting, collections and complaints.
18-7	Customer Service and Information Expense	This account includes the cost of labor and expenses incurred in customer service and informational activities, the purpose of which is to encourage safe and efficient use of the utility's services, to promote the conservation of the utility's services and to assist customers in answering specific inquiries as to the proper and economic use of the utility's services.
18-8	Sales Expense	This account includes the cost of labor, materials and expenses incurred in promotional, demonstrating and selling activities, advertising designed to promote or retain the use of utility services and miscellaneous sales expense. Included are exhibitions, displays, lectures, engineering and technical advice, advertising in newspapers, periodicals, billboards, radio, etc., postage on direct mail advertising, printing booklets, bulletins, etc.
18-9	Administrative and General Expense	This account includes the compensation of board members, executives, and other administrative and general employees of the utility not chargeable directly to a particular operating function. It also includes the cost of insurance to protect the utility against physical plant losses, cost of reserve accruals to protect the utility against injuries and damage claims of employees or others, such as liability, property damage, casualty, and employee liability. Employee pensions and benefits including payments to pension funds, life insurance, group medical expenses, payments for accident, sickness, hospital and death benefits, and expenses in connection with educational and wellness activities are also included in this account. In accordance with Water 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension, MLGW must recognize all postemployment benefits, such as medical insurance and life insurance, when earned, effective budget year 2007.

Maintenance Expense

18-10	Production Expense	This account includes the labor and expenses incurred in the maintenance of structures and improvements, collecting and impounding reservoirs, maintenance of wells, the maintenance of observation wells, the maintenance of structures and improvements used in connection with pumping, maintenance of power production equipment used directly in pumping operations, the maintenance of pumping equipment, maintenance of structures and improvements to the water treatment plant, and water treatment plant equipment.
18-11	Distribution Expense	This account includes the labor and expenses incurred in the maintenance of the distribution system including structures and improvements, mains, services, meters, meter testing equipment, fire hydrants, and miscellaneous plant.
18-12	Administrative & General Expense	Please see Appendix 18-9.

NOTES FOR PAGE 18—INCOME & EXPENSE COMPARISON (Continued)

Other Operating Expense

18-13	Depreciation Expense	The purpose of depreciation is to allocate the original cost of a fixed asset over its estimated useful life. In a utility environment, the annual depreciation rate also takes into account the estimated salvage and cost of removal upon retirement.
18-14	Payment In Lieu of Taxes	MLGW and the City of Memphis have agreed on a P.I.L.O.T. in the amount of \$2,500,000 to be made on an annual basis to the City from the revenues of the Water Division through fiscal years 2028 plus and additional 2,100,000 for the budget year..
18-15	F.I.C.A. Taxes	This represents the 1.45% Medicare portion of Social Security Tax that is required to be paid on all MLGW employees hired after 03-31-1986.
18-16	Amortization of Legacy Meters	This account includes amortization charges related to expenditures on meters.

Income

18-17	Operating Income	Operating income is equal to operating revenue less total operating expense.
18-18	Other Income	This consists primarily of interest and investment income. It does not include any sales of electricity, gas or water.
18-19	Reduction of Plant Recovered through CIAC	Contributions-in-aid-of-construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

Debt Expense

18-20	Interest Expense – Existing Long-Term Debt	Bond interest payments due 06-01 and 12-01 per the bond debt schedules are funded in equal monthly installments.
18-21	Amortization of Debt Discount & Expense	This represents the spreading of bond issuance costs over the life span of the bond series rather than recognizing such costs all at the time of sale.
18-22	Contributions in Aid of Construction	Please see Appendix 18-22.

NOTES FOR PAGE 19—INCOME & EXPENSE COMPARISON

Source of Funds

19-1	Change in Net Position	
19-2	Depreciation Charged to Operating Income	
19-3	Depreciation Charged to Other Accounts	Depreciation charged to other accounts is the annual depreciation for transportation and power operated equipment. Depreciation on these plant items is charged to a clearing account and used in the equipment rate calculations.
19-4	Amortization of Legacy Meters	Non-cash expense related to employee pension expenses related to meter expenditures.
19-5	Salvage	Salvage is the amount received for property retired from plant in service. The property may be sold for scrap or returned to stores inventory for reuse.
19-6	Debt Issuance	Expected debt issuance in the Water Division for the budget year.

Application of Funds

19-7	Capital Expenditures	Please see page 19.
19-8	Costs of Removal and Other Charges to the Reserve for Depreciation	Cost of removal is the cost associated with demolishing, dismantling, tearing down or otherwise removing utility plant, including the cost of transportation and labor.
19-9	Retirement of Long-Term Debt	Bond principal amounts due 12-01 per the bond debt schedules are funded in equal monthly installments during.

NOTES FOR PAGE 20—CAPITAL EXPENDITURES BUDGET

Production System

20-1	Pumping Stations	Please see Appendix 21-1 to 22-10.
20-2	Overhead Storage Tanks	No expenditures planned for the 2023 budget year.
20-3	Underground Storage Reservoirs	
20-4	Production Wells	
20-5	Monitoring Wells	No expenditures planned for the 2023 budget year.
20-6	Land Purchase	
20-7	Operations Maintenance	
20-8	Contingency Fund - Production	
20-9	Buildings and Structures - Production System	

Distribution System

20-10	Residential Service in S/D	This budget category provides for the expenses incurred by the Water Division for customer requests for service located in a subdivision.
20-11	Residential Service not in S/D	This budget category provides for the expenses incurred by the Water Division for customer requests for service not located in a subdivision.
20-12	Residential S/D	This budget category provides for the expenses incurred by the Water Division for developer requests for Water facilities located in a subdivision.
20-13	Apartments	This budget category provides for the expenses incurred by the Water Division for developer requests for Water facilities for new apartment developments.
20-14	General Power Service	This budget category provides for the expenses incurred by the Water Division for customer requests for new General Power Service.
20-15	Relocate At Customer Request	This budget category provides for the expenses incurred to relocate at the customer's request.
20-16	Street Improvements	This budget category provides for the expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated.
20-17	New Water Main	This budget category provides for the expenses incurred for the installation of miscellaneous new water mains and facilities.
20-18	Lead Service Replacement	Replace lead services with copper at known locations throughout Shelby County.
20-19	Storm Restoration	None budgeted for the 2023 Budget Year.
20-20	Purchase of Meters	The number of meters purchased is based on projections for the coming year. These meters include meters that will be paid for by customer contributions relating to new residential and commercial development and replacement of existing meters.
20-21	Planned Maintenance	Construction in minor work that arises daily. These are mainly calls that go through the Control Room, to include pole knockdowns, gas, and water leaks, etc.
20-22	Booster Stations	This budget category is used to boost constant supply.
20-23	Emergency Maintenance	This budget line item provides for emergency repair work when leaks and cut facilities require immediate repair.
20-24	Contributions in Aid of Construction	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

General Plant

20-25	Buildings and Structures	None budgeted for the 2023 Budget Year.
20-26	Security Automation	Please see Appendix 23-16.
20-27	Fleet Capital Power Operated Equip	Please see Appendix 23-17.
20-28	Fleet Capital Water Transportation Equip	Please see Appendix 23-18.
20-29	IS/IT Projects Water	Please see Appendix 23-15.
20-30	Lab Equipment	None budgeted for the 2023 Budget Year.
20-31	Contingency Fund	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year. See Appendix 23-19.
20-32	Delayed Cost Allocations	These are funds budgeted in the current year for items that may arrive late from the previous year's budget.

NOTES FOR PAGE 21—CAPITAL EXPENDITURES BUDGET

Production System

Pumping Stations

Allen Pumping Station

21-1	Station Rehabilitation (CO)	Description/Location	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc.... Rehabilitation of concrete structural components. Allen Pumping Station
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.
21-2	Station Rehabilitation (New Allen)	Description/Location	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc.... Rehabilitation of concrete structural components at Allen Pumping Station
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.
21-3	Medium Voltage Breaker & Switchgear Replacements (CO)	Description/Location	Design, purchase and installation of the 12kV and 5 kV circuit breakers/switchgear at Allen Pumping Station
		Purpose/Necessity	Parts for the existing 12kV and 5 kV Circuit Breakers are unavailable and there are safety concerns related to the existing breakers
21-4	Generator Replacement	Description/Location	Design, Construction Administration and Integration needed to replace the existing distributed process control system.
		Purpose/Necessity	The existing generator is old and has frequent downtime. Generator uptime is needed when storms/power outages exist.
21-5	Dedicated Well Electric Circuit Replacement	Description/Location	Dedicated Well Electric Circuit Replacement
		Purpose/Necessity	The existing underground electric loop for the Allen wells is currently not reliable and causes well downtime. Moving the wells to overhead electric will make wells more reliable.

Davis Pumping Station

21-6	VFD, Motor & Transformer Replacements	Description/Location	Design, Construction Administration and Integration needed to replace high service pump drive equipment.
		Purpose/Necessity	The existing VFD's chronically overheat and replacement parts are unavailable when the VFD's fail.
21-7	Station Rehabilitation (CO)	Description/Location	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc.... Rehabilitation of concrete structural components at Davis Pumping Station
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

Lichterman Pumping Station

21-8	VFD, Motor & Transformer Replacements	Description/Location	Design, Construction Administration and Integration needed to replace high service pump drive equipment.
		Purpose/Necessity	The existing VFD's chronically overheat and replacement parts are unavailable when the VFD's fail.
21-9	Station Rehabilitation (CO)	Description/Location	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc.... Rehabilitation of concrete structural components. Lichterman Pumping Station
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

LNG Pumping Station

21-10	Engineer Distributed Process Control System Replacement	Description/Location	Design, Construction Administration and Integration needed to replace the existing distributed process control system.
		Purpose/Necessity	The existing DPC system is outdated and parts can no longer be obtained for the existing controller. This is needed for regulatory compliance with Tennessee Department of Environment and Conservation standards.
21-11	Install Distributed Process Control System Replacement	Description/Location	Design, Construction Administration and Integration needed to replace the existing distributed process control system.
		Purpose/Necessity	The existing DPC system is outdated and parts can no longer be obtained for the existing controller. This is needed for regulatory compliance with Tennessee Department of Environment and Conservation standards.
21-12	Station Rehabilitation	Description/Location	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc.... Rehabilitation of concrete structural components. LNG Pumping Station
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

NOTES FOR PAGE 21—CAPITAL EXPENDITURES BUDGET (Continued)

Pumping Stations (Continued)

Mallory Pumping Station

21-13	VFD, Motor, Transformer Replacements	Description/Location	Design, Construction Administration and Integration needed to replace high service pump drive equipment.
		Purpose/Necessity	The existing VFD's chronically overheat and replacement parts are unavailable when the VFD's fail.
21-14	Medium Voltage Breaker & Switchgear Replacements	Description/Location	Design, purchase and installation of the 12kV and 5 kV circuit breakers/Switchgear at Allen Pumping Station
		Purpose/Necessity	Parts for the existing 12kV and 5 kV Circuit Breakers are unavailable and there are safety concerns related to the existing breakers
21-15	Generator Replacement (CO)	Description/Location	Design, Construction Administration and Integration needed to replace the existing distributed process control system.
		Purpose/Necessity	The existing generator is old and has frequent downtime. Generator uptime is needed when storms/power outages exist.
21-16	Station Rehabilitation	Description/Location	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc.... Rehabilitation of concrete structural components. Allen Pumping Station
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

McCord Pumping Station

21-17	Engineer Distributed Process Control System Replacement	Description/Location	Design, Construction Administration and Integration needed to replace the existing distributed process control system.
		Purpose/Necessity	The existing DPC system is outdated and parts can no longer be obtained for the existing controller. This is needed for regulatory compliance with Tennessee Department of Environment and Conservation standards.
21-18	Install Distributed Process Control System Replacement	Description/Location	Design, Construction Administration and Integration needed to replace the existing distributed process control system.
		Purpose/Necessity	The existing DPC system is outdated and parts can no longer be obtained for the existing controller. This is needed for regulatory compliance with Tennessee Department of Environment and Conservation standards.
21-19	VFD, Motor, Transformer Replacements	Description/Location	Design, Construction Administration and Integration needed to replace high service pump drive equipment.
		Purpose/Necessity	The existing VFD's chronically overheat and replacement parts are unavailable when the VFD's fail.
21-20	Station Rehabilitation	Description/Location	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc.... Rehabilitation of concrete structural components. Allen Pumping Station
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

Morton Pumping Station

21-21	Engineer Distributed Process Control System Replacement	Description/Location	Design, Construction Administration and Integration needed to replace the existing distributed process control system.
		Purpose/Necessity	The existing DPC system is outdated and parts can no longer be obtained for the existing controller. This is needed for regulatory compliance with Tennessee Department of Environment and Conservation standards.
21-22	Install Distributed Process Control System Replacement	Description/Location	Install Distributed Process Control System Replacement.
		Purpose/Necessity	The existing DPC system is outdated and parts can no longer be obtained for the existing controller. This is needed for regulatory compliance with Tennessee Department of Environment and Conservation standards.
21-23	Station Rehabilitation	Description/Location	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc.... Rehabilitation of concrete structural components. Allen Pumping Station
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

NOTES FOR PAGE 22-CAPITAL EXPENDITURES BUDGET

Pumping Stations (Continued)

Palmer Pumping Station

22-1	Engineer Distributed Process Control System Replacement	Description/Location	Design, Construction Administration and Integration needed to replace the existing distributed process control system.
		Purpose/Necessity	The existing DPC system is outdated and parts can no longer be obtained for the existing controller. This is needed for regulatory compliance with Tennessee Department of Environment and Conservation standards.
22-2	Install Distributed Process Control System Replacement	Description/Location	Install Distributed Process Control System Replacement.
		Purpose/Necessity	The existing DPC system is outdated and parts can no longer be obtained for the existing controller. This is needed for regulatory compliance with Tennessee Department of Environment and Conservation standards.
22-3	Station Rehabilitation	Description/Location	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc.... Rehabilitation of concrete structural components. Allen Pumping Station
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

Shaw Pumping Station

22-4	VFD, Motor, Transformer Replacements	Description/Location	Design, Construction Administration and Integration needed to replace the existing distributed process control system.
		Purpose/Necessity	The existing DPC system is outdated and parts can no longer be obtained for the existing controller. This is needed for regulatory compliance with Tennessee Department of Environment and Conservation standards.
22-5	Station Rehabilitation (CO)	Description/Location	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc.... Rehabilitation of concrete structural components at Davis Pumping Station
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

Sheehan Pumping Station

22-6	VFD, Motor, Transformer Replacements	Description/Location	Design, Construction Administration and Integration needed to replace high service pump drive equipment.
		Purpose/Necessity	The existing VFD's chronically overheat and replacement parts are unavailable when the VFD's fail.
22-7	Medium Voltage Breaker & Switchgear Replacements	Description/Location	Design, purchase and installation of the 12kV and 5 kV circuit breakers/Switchgear at Allen Pumping Station
		Purpose/Necessity	Parts for the existing 12kV and 5 kV Circuit Breakers are unavailable and there are safety concerns related to the existing breakers
22-8	Station Rehabilitation	Description/Location	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc.... Rehabilitation of concrete structural components. Allen Pumping Station
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

Miscellaneous Pumping Facilities

22-9	Water Operations Capital Items (CO)	Description/Location	This item is to account for unplanned Capital Items. / As-needed
		Purpose/Necessity	This is a projected budget amount to cover unforeseen Capital Items in the current year due to mechanical/electrical/etc. failure. / When equipment breaks, it must be fixed.
22-10	Engineering Services Contract (CO)	Description/Location	Engineering Consultants on an "as-needed" basis. / As-needed.
		Purpose/Necessity	Water E&O has a need to retain Engineering Consultants on an "as-needed" basis. / Water Engineering does not have the expertise to perform certain engineering functions.

WATER DIVISION

Underground Storage Reservoirs

Sheehan Pumping Station

22-11	Engineer Wash Recovery Basin Replacement	Description/Location	Construction of WWRB at Sheehan Pumping Station
		Purpose/Necessity	The existing WWRB is the retrofitted Equalizing Basin. The operational performance of the existing WWRB is very poor. There are regulatory issues with the existing WWRB.

Production Wells

Mallory Pumping Station

22-12	Construct/Replace Well	Description/Location	Construction of a large water production well at Mallory Pumping Station.
		Purpose/Necessity	A number of the Mallory wells need to be replaced.

Sheehan Pumping Station

22-13	Construct/Replace Well	Description/Location	Construction of a large water production well. Sheehan Pumping Station
		Purpose/Necessity	A number of the Sheehan wells need to be replaced.
22-14	Well Failures	Description/Location	Construction of a large water production well. Various pumping station.
		Purpose/Necessity	Water production wells fail unexpectedly and need to be replaced.
22-15	Abandon Wells	Description/Location	To abandon water production wells that have reached the end of life.
		Purpose/Necessity	Well abandonment is needed to drill second generation wells on the same well site.

Operations Maintenance

22-16	Operations Maintenance	Description/Location	maintenance necessary for the continuation of normal operations
		Purpose/Necessity	maintenance necessary for the continuation of normal operations

Land Purchase

22-17	Land Purchase	Description/Location	Purchase water production well lots/Various locations.
		Purpose/Necessity	Well lots are needed to install new/replacement water production wells to provide an adequate source water supply for customers.

NOTES FOR PAGE 23—CAPITAL EXPENDITURES BUDGET

Buildings and Structures

McCord Pumping Station

23-1	Replace Site Paving	Description/Location	McCord Pumping Station
		Purpose/Necessity	This project is needed to replace the paving. The existing paving is past it's life expectancy and needs to be repaired.

Davis Pumping Station

23-2	Replace roof - 14,100 sf	Description/Location	Davis Pumping Station
		Purpose/Necessity	This project is needed to replace the Main Pump building roof. The existing roof system is past it's life expectancy and is getting frequent leak repair requests.

Sheahan Pumping Station

23-3	Repave Drives	Description/Location	Sheahan Pumping Station
		Purpose/Necessity	This project is needed to repave drives. The existing pavement is past it's life expectancy and is getting frequent requests.

Contingency Fund

23-4	Contingency Funds	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year.	
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Distribution System

23-5	Collecting Main Installation	Description/Location	Various locations
		Purpose/Necessity	The ties bring water from the aquifer to the plant.
23-6	Main Replacement Projects	Description/Location	Older cast iron mains in older parts of town sometimes break several times and it is more feasible to replace the main.
		Purpose/Necessity	Older cast iron mains in older parts of town sometimes break several times and it is more feasible to replace the main.
23-7	Large Main Extensions	Description/Location	Large Main Extensions
		Purpose/Necessity	Provides more water to parts of Shelby County were there is a need or future need to more water.
23-8	Miscellaneous Projects - Reimbursable	Description/Location	This line item covers former SCBPU projects aimed at improving the Distribution System in former SCBPU areas of the county. These projects mostly center around improvements in the Shelby Forest area.
		Purpose/Necessity	This line item covers former SCBPU projects aimed at improving the Distribution System in former SCBPU areas of the county.
23-9	Major Valve Replacements/Additions	Description/Location	The project will involve the replacement and additions of 12" and larger valves
		Purpose/Necessity	Replacement of non-functioning and key valves and adding strategically place valves on primary and secondary feeders to optimize the ability to isolate large mains while minimizing the number of cut off customers
23-10	Minor System Improvements	Description/Location	Minor System Improvements to Water Distribution System
		Purpose/Necessity	Minor System Improvements to Water Distribution System.

Street Improvements

23-11	City of Arlington Projects	Description/Location	These are street improvement projects done by Shelby County requiring the relocation of MLGW water mains.
		Purpose/Necessity	MLGW will meet the utility relocation needs of the City, County, and State for their street improvement projects.
23-12	City of Lakeland Projects	Description/Location	These are street improvement projects done by the City of Lakeland requiring the relocation of MLGW water mains.
		Purpose/Necessity	MLGW will meet the utility relocation needs of the City, County, and State for their street improvement projects.
23-13	City of Memphis Projects	Description/Location	These are street improvement projects done by the City of Memphis requiring the relocation of MLGW water mains.
		Purpose/Necessity	MLGW will meet the utility relocation needs of the City, County, and State for their street improvement projects.
23-14	TDOT Projects	Description/Location	These are street improvement projects done by TDOT requiring the relocation of MLGW water mains.
		Purpose/Necessity	MLGW will meet the utility relocation needs of the City, County, and State for their street improvement projects.

Lead Replacement

23-15	Lead Replacement	Description/Location	Lead Replacement
		Purpose/Necessity	Lead Replacement

NOTES FOR PAGE 24–CAPITAL EXPENDITURES BUDGET

**General Plant
IS/IT Project**

24-1	Security Automation	Description/Location	Various locations
		Purpose/Necessity	Install card readers on control house doors, install a CCTV system, install fence alarms and various security upgrades throughout the division.
24-2	Fleet Capital Power Operated Equipment	Description/Location	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items in order to provide equipment for crews to complete job assignments. Replacements are evaluated based on age, actual operational usage, repair cost and frequency, parts availability, and effectiveness to meet area's needs. Additions are evaluated based on justification request and proper approval.
24-3	Fleet Capital Transportation Equipment	Description/Location	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items in order to provide equipment for crews to complete job assignments. Replacements are evaluated based on age, actual operational usage, repair cost and frequency, parts availability, and effectiveness to meet area's needs. Additions are evaluated based on justification request and proper approval.
24-4	Contingency Funds – General Plant	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year.	

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GLOSSARY

ACD: Automatic Call Distributor.

ACSR: Aluminum, Cable Steel Reinforced cable.

ADA: Americans with Disabilities Act.

BNSF: Burlington Northern Santé Fe Railway Company.

BTU: British Thermal Unit.

Capital Budget: Fixed assets and capital projects to be acquired or contracted during the budget period.

Capital Expenditure: Expenditures that result in the acquisition of, or addition to, fixed assets including land, buildings, improvements, machinery, and equipment.

CA: Cab to Axle.

CARES: Computer Assisted Restoration of the Electric System.

CCTV: Closed-circuit television.

C&C: Cab and Chassis.

CC&C: Crew Cab & Chassis.

CKT: Circuit.

CN: Canadian National Railway.

CNG: Compressed Natural Gas.

CO: Carryover.

CPU: Central Processing Unit.

CSX: CSX Transportation.

CSX/RR: CSX Transportation Railroad.

DA: Distribution Automation.

DASD: Direct Access Storage Device.

DB: Decibel.

DDC: Direct Digital Controller.

Debt Service: Principal and interest payments on outstanding bonds.

DIMP: Distribution Integrity Management Program.

DOT: Department of Transportation.

ERC: Emergency Response Center.

GLOSSARY

ESO: Electric Systems Operations.

Expenditure: The outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid.

FC: Suffix for connector type.

FCI: Failed Circuit Indicators.

FEMA: Federal Emergency Management Agency.

FIS: Facility Information System.

Fixed Assets: Assets that are used in a productive capacity, have physical substance, are relatively long-lived, and provide future benefit, which is readily measurable, such as land, buildings, machinery, furniture, vehicles, other equipment and capital projects. Those assets that are capitalized and depreciated over a period of time.

GAAP: Generally Accepted Accounting Principals. Uniform minimum standards and guidelines for disclosing, recording and reporting financial transactions and entries.

GASB: Governmental Accounting Standards Board.

GIS: Geographic Information System.

GPS: Global Positioning System.

HHSC: Hickory Hill Service Center.

HMI: Human Machine Interface.

HP: High Pressure.

HSP: High Service Pump.

HVAC: Heating, Ventilation, and Air Conditioning.

IC RR: Illinois Central Railroad.

IDS: Intrusion Detection System.

IR: Infrared.

JT: Joint Trench.

kV: Kilo Volts, a unit of potential equal to a thousand volts.

KVA: Kilo Volt-Ampere, one thousand volt-amps.

KW: Kilowatt.

LC: Suffix for connector type.

LNG: Liquefied Natural Gas.

GLOSSARY

LOL: Leased Outdoor Lighting.

LWB: Long Wheel Base pickup.

MAOP: Maximum allowable operating pressure.

MDMS: Meter Data Management System.

MG: Millions of gallons.

MGD: Million gallons per day.

MH/DL: Manhole/Duct line.

MHz: Megahertz.

MSS: Management Support System.

NERC: North American Electric Reliability Corporation.

Net Assets: The difference between assets and liabilities for a period of time.

O&M: Operations and Maintenance.

OH: Overhead.

OPEB: Other Post Employment Benefits.

Operating Budget: The portion of the budget that pertains to daily operations that provide basic services. The operating budget contains approved expenditures.

OPGW: Optical Ground Wire.

OTL: Oracle Time and Labor.

OTDR: Optical Time Domain Reflectometer.

Pad: Pad-mounted transformer.

PCB: Polychlorinated Bithenyls.

PSI: Pound per Square Inch.

PTAC: Packaged terminal air conditioning.

PTO: Power Take Off.

GLOSSARY

PV: Photo-Voltaic or solar cells.

ROW: Right of Way.

RR: Railroad.

RTU: Remote Terminal Unit.

Small Cells/5G small equipment utilized to transmit communication signals to enhance speed and reliability of WIFI and cellular operations; fifth generation of mobile network for higher bandwidth and faster access.

SAN: Storage Area Network.

SC: Suffix for connector type.

SCADA: Supervisory Control and Data Acquisition, used to monitor and control the electric system. SCADA gathers information and transfers the information to a central site.

SCBPU: Shelby County Board of Public Utilities.

SPCC: Spill Prevention, Control and Countermeasure.

T-line: Transmission line.

TDOT: Tennessee Department of Transportation.

TEMA: Tennessee Emergency Management Agency.

TIMP: Transmission Integrity Management Program

TOU: Time of Use.

UG: Underground.

UPS: Uninterruptible Power Source.

URD: Underground Residential Development.

USPS: United States Postal Service.

VAV: Variable Air Volume.

VFD: Variable Frequency Drive.

WAQL: Water Assurance Quality Lab.

WWRB: Wash water Recovery Basin.

XFMR: Symbol used to denote transformer.

XHP: Extra High Pressure.

XXHP: Extra, Extra High Pressure.

A resolution to amend the Council FY23 grant allocations

WHEREAS, the FY 23 Operating Budget included \$3.25 million in funding for the Council’s Grants Program with an equal apportionment to the 13 members in the amount of \$250,000; and

WHEREAS, the Memphis City Council reviewed the applications and allowed presentations by prospective organizations wherein members were able to select individual grant award amounts to the organizations that successfully completed the application process; and

WHEREAS, members of the Council were afforded the opportunity to designate their full FY 23 \$250,000 allotment during the passage of the budget or to hold a portion of their allotment in abeyance with further consideration and distribution of their remaining funds to be decided by resolution at a later date.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMPHIS CITY COUNCIL that the following request for disbursement(s) of remaining funds be approved as follows:

ORGANIZATION NAME	AMOUNT
Legacy of Legends CDC	\$5,000
Ladies in Need Can Survive	\$5,000
Camp Chambers	\$2,500
TOTAL	\$12,500

Sponsor:
Rhonda Logan

Chair:
Martavius Jones

A resolution to amend the Council FY23 grant allocations

WHEREAS, the FY 23 Operating Budget included \$3.25 million in funding for the Council’s Grants Program with an equal apportionment to the 13 members in the amount of \$250,000; and

WHEREAS, the Memphis City Council reviewed the applications and allowed presentations by prospective organizations wherein members were able to select individual grant award amounts to the organizations that successfully completed the application process; and

WHEREAS, members of the Council were afforded the opportunity to designate their full FY 23 \$250,000 allotment during the passage of the budget or to hold a portion of their allotment in abeyance with further consideration and distribution of their remaining funds to be decided by resolution at a later date.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMPHIS CITY COUNCIL that the following request for disbursement(s) of remaining funds be approved as follows:

ORGANIZATION NAME	AMOUNT
Africa in April	\$5,000
Urban Promise 901	\$3,000
TOTAL	\$8,000

Sponsor:
Jeff Warren

Chair:
Martavius Jones

A resolution to amend the Council FY23 grant allocations

WHEREAS, the FY 23 Operating Budget included \$3.25 million in funding for the Council's Grants Program with an equal apportionment to the 13 members in the amount of \$250,000; and

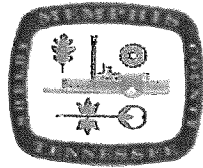
WHEREAS, the Memphis City Council reviewed the applications and allowed presentations by prospective organizations wherein members were able to select individual grant award amounts to the organizations that successfully completed the application process; and

WHEREAS, members of the Council were afforded the opportunity to designate their full FY 23 \$250,000 allotment during the passage of the budget or to hold a portion of their allotment in abeyance with further consideration and distribution of their remaining funds to be decided by resolution at a later date; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMPHIS CITY COUNCIL that the following request for disbursement(s) of remaining funds be approved as follows:

ORGANIZATION NAME	AMOUNT
Dress for Success	\$7,549.00
Total	\$7,549.00

Sponsor: Teri Dockery



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

This item is a resolution to appropriate FY23 CIP funds for Memphis Innovation Corridor for a new Bus Rapid Transit (BRT) line connecting downtown with the University of Memphis for the Memphis Area Transit Authority (MATA).

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

MATA initiated the request for the City Council to appropriate \$5,000,000 in FY23 CIP funds under GA03028 Memphis Innovation Corridor.

3. State whether this is a change to an existing ordinance or resolution, if applicable.

This is not a change to an existing ordinance or resolution.

4. State whether this will impact specific council districts or super districts.

This project will require MATA to solicit bids and award contracts for the Memphis Innovation Corridor BRT in accordance with its Procurement Manual.

5. State whether this requires a new contract, or amends an existing contract, if applicable.

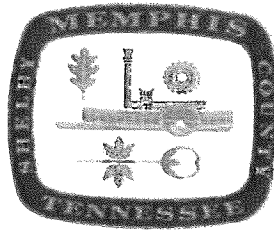
No new contract or budget amendments are required.

6. State whether this requires an expenditure of funds/requires a budget amendment

Yes, this item requires an expenditure of funds in the amount of \$5,000,000

7. If applicable, please list the MWBE goal and any additional information needed

N/A



**A RESOLUTION TO APPROPRIATE FY23 CIP FUNDS FOR MEMPHIS INNOVATION
CORRIDOR BUS RAPID TRANSIT (BRT) PROJECT FOR THE MEMPHIS AREA
TRANSIT AUTHORITY**

WHEREAS, The Council of the City of Memphis did approve Memphis Innovation Corridor Bus Rapid Transit (BRT) project, Project Number GA03028, as part of The Memphis Area Transit Authority (MATA) FY23 Capital Improvement Program (CIP) budget; and

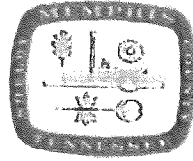
WHEREAS, FTA requires that MATA show that the Local funds are available for the project in order to receive the BUILD grant; and

WHEREAS, The Council of the City of Memphis did approve Memphis Innovation Corridor BRT, Project Number GA03028, as part of MATA's FY23 Capital Improvement Program (CIP) budget; and

WHEREAS, It is necessary to appropriate \$ 5,000,000 funded by G.O Bonds – General, CIP Project Number GA03028 – Memphis Innovation Corridor BRT for Engineering and Architectural services associated with a new BRT line connecting downtown with the University of Memphis.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS that there be and is hereby appropriated the sum of \$ 5,000,000 funded by G.O Bonds – General chargeable to the Fiscal Year 2023 Capital Improvement Budget and credited as follows:

Project Title:	Memphis Innovation Corridor BRT
Project Number:	GA03028
Amount:	\$ 5,000,000



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

This item is a resolution to appropriate FY23 CIP funds for the Transit Vision Project for the Memphis Area Transit Authority (MATA).

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

MATA initiated the request the City Council to appropriate \$1,000,000 in FY23 CIP funds under GA03029.

3. State whether this is a change to an existing ordinance or resolution, if applicable.

This not a change to an existing ordinance or resolution

4. State whether this will impact specific council districts or super districts.

This project will impact council districts and super districts.

5. State whether this requires a new contract, or amends an existing contract, if applicable.

This project will require MATA to solicit bids and award contracts for the Transit Vision Projects in accordance with its Procurement Manual.

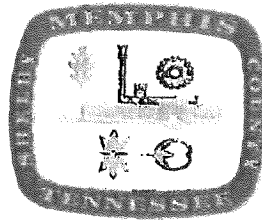
6. State whether this requires an expenditure of funds/requires a budget amendment

Yes, this item requires an expenditure of funds in the amount of \$1,000,000; however, no budget amendments are required.

7. If applicable, please list the MWBE goal and any additional information needed

N/A

City Council Resolution Template – 8-28-12



**A RESOLUTION TO APPROPRIATE FY23 CIP FUNDS FOR TRANSIT VISION PROJECT
FOR THE MEMPHIS AREA TRANSIT AUTHORITY**

WHEREAS, The Council of the City of Memphis did approve Transit Vision project, Project Number GA03029, as part of The Memphis Area Transit Authority (MATA) FY23 Capital Improvement Program (CIP) budget; and

WHEREAS, FTA requires that MATA show that the Local funds are available for the project in order to receive the BUILD grant; and

WHEREAS, The Council of the City of Memphis did approve Transit Vision project, Project Number GA03029, as part of MATA's FY23 Capital Improvement Program (CIP) budget; and

WHEREAS, It is necessary to appropriate \$ 1,000,000 funded by G.O Bonds – General, CIP Project Number GA03029 – Transit Vision project.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS that there be and is hereby appropriated the sum of \$ 1,000,000 funded by G.O Bonds – General chargeable to the Fiscal Year 2023 Capital Improvement Budget and credited as follows:

Project Title:	Transit Vision project
Project Number:	GA03029
Amount:	\$ 1,000,000

RESOLUTION TO ALLOW THE URBAN ART COMMISSION TO ACCEPT A
SCULPTURE FROM THE CHEROKEE HEIGHTS CIVIC CLUB TO BE ADDED TO THE
CITY'S PUBLIC ART INVENTORY

WHEREAS, the Public Art Oversight Committee is a committee of seven members who have been appointed to provide general oversight of the Percent-for-Art Program, advice on issues that arise in conjunction with the program, and approvals on public art plan recommendations, sites, artists selected, and all design, fabrication, and installation benchmarks; and

WHEREAS, the Public Art Oversight Committee approved the gift from the Cherokee Civic Heights Club at its October meeting; the steel sculpture designed by Lawrence Matthews and Ahmad, fabricated by Lorenzo Scruggs (all local artists), and funded through the inaugural Neighborhood Art Initiative (NAI) by the Assisi Foundation; the Cherokee Heights Civic Club was selected in the first round of NAI projects to collaborate with UAC and determined that neighborhood signage was a priority for their community; and

WHEREAS, it is the intent of the Urban Art Commission for this donation to take place to ensure that the sign can be installed at the neighborhood library branch, which is at a significant entry point to the neighborhood; gifting the sign to the City of Memphis will allow the Urban Art Commission to use the preferred location and ensure future maintenance of the sculpture; and

WHEREAS, the Urban Art Commission now requires approval from the Council to accept the sculpture gifted by the Cherokee Heights Civic Club and to allow it to add the sculpture to the City of Memphis's public art inventory.

NOW, THEREFORE, BE IT RESOLVED that the Memphis City Council hereby approves the acceptance of the sculpture by the Urban Art Commission to be added to the City's public art inventory.

Sponsor:

Martavius Jones

RESOLUTION TO REALLOCATE AND APPROPRIATE \$1.5 MILLION FROM ARPA FUNDS TO MEMPHIS FIRE DIVISION TO PROVIDE ADDITIONAL SUPPORT FOR THE C.A.R.E. PROGRAM

WHEREAS, on March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President. Section 9901 of ARPA amended Title VI of the Social Security Act to add section 602, which established the Coronavirus State Fiscal Recovery Fund, and section 603, which established the Coronavirus Local Fiscal Recovery Funds (together, the Fiscal Recovery Funds). The Coronavirus Local Fiscal Recovery Funds was established to provide support to local governments (“recipients”) to respond to the impacts of COVID-19 on communities, residents, and businesses; and

WHEREAS, section 602(c)(1) and 603(c)(2) provides that funds may be used to:

A. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

B. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;

C. For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency;

D. To make necessary investment in water, sewer, or broadband infrastructure; and

WHEREAS, the Memphis City Council recognizes that the issue surrounding the amount of resources to address mental health, and First Responders’ ability to provide support to those they encounter who are affected by mental illness, is a public health issue that directly or indirectly impacts everyone in the City of Memphis; and

WHEREAS, in 2021, the Memphis Police Department (MPD) responded to 21,340 mental health crisis calls; of those calls, 18,003 of the calls were non-violent mental health consumers in crisis, and 3,337 calls were violent mental health consumers in crisis; and

WHEREAS, during MPD’s efforts to increase the amount of police officers to serve the City of Memphis, it is vital that resources are available to support an alternative program that is equipped respond to those calls that are deemed non-violent mental health consumers in crisis; and

WHEREAS, the Council seeks to provide the support necessary to support the Memphis Fire Division’s C.A.R.E. (Crisis Assessment and Response to Emergencies) Program, which is a three-person mental health response team, made up of a MFD firefighter and/or paramedic, a master’s level crisis assessor from Alliance Healthcare Services, and a CIT police officer; together, this team is equipped with the necessary knowledge and tools to act as a resource for those individuals diagnosed with or displaying symptoms of mental illness who require assistance in that regard; and

WHEREAS, it is the intent of the Council to address the issues relative to mental health crisis calls and public safety by ensuring that there are adequate resources available to the C.A.R.E. program to support the people of Memphis, and that police officers are able to maximize their effort to keep the City of Memphis safe; and

WHEREAS, the Memphis City Council requests the Memphis Fire Division to use this funding to expand the program and increase its impact regarding crises that arise due to mental health, substance abuse, or homelessness that do not require law enforcement response.

NOW, THEREFORE, BE IT RESOLVED that the FY22 ARPA allocations be amended to reallocate \$1,500,000 of ARPA funds from the Public Transportation Initiative category; and to amend the FY23 CIP Budget to allocate and appropriate \$1.5 million to the Memphis Fire Division's budget for the C.A.R.E. program, effective with the approval of this resolution.

Sponsor:

Chase Carlisle

Michalyn Easter-Thomas

**CITY OF MEMPHIS
COUNCIL AGENDA CHECK OFF SHEET**

**ONE ORIGINAL |
ONLY STAPLED |
TO DOCUMENTS**

**Planning & Development
DIVISION**

Planning & Zoning COMMITTEE: 11/1/2022
DATE
PUBLIC SESSION: 11/1/2022
DATE

ITEM (CHECK ONE)

ORDINANCE _____ RESOLUTION REQUEST FOR PUBLIC HEARING

ITEM CAPTION: Zoning ordinance amending Ordinance No. 5367 of Code of Ordinance, City of Memphis, Tennessee, adopted on August 10, 2010, as amended, known as the Memphis and Shelby County Unified Development code, to authorize a zoning use district reclassification for land located on the east side of North Bingham, south of Jackson Avenue. By taking the land out of the Employment (EMP) Use District and including it in the Residential Urban - 3 (RU-3) Use District, known as case number Z 22-06

CASE NUMBER: Z 22-06
LOCATION: East side of North Bingham, south of Jackson Avenue
COUNCIL DISTRICTS: District 5 and Super District 9 - Positions 1, 2, and 3
OWNER/APPLICANT: Harish Yakkala
REPRESENTATIVES: Harish Yakkala
REQUEST: Rezoning of +/-2.1 acres from Employment (EMP) to Residential Urban -3 (RU-3)
RECOMMENDATION: The Division of Planning and Development recommended *Approval*
The Land Use Control Board recommended *Approval*

RECOMMENDED COUNCIL ACTION: **Public Hearing Required**
Set date for first reading - November 1, 2022
Second reading - November 15, 2022
Third reading - December 6, 2022

PRIOR ACTION ON ITEM:

(1) _____	APPROVAL - (1) APPROVED (2) DENIED
10/13/2022 _____	DATE
(1) Land Use Control Board _____	ORGANIZATION - (1) BOARD / COMMISSION (2) GOV'T. ENTITY (3) COUNCIL COMMITTEE

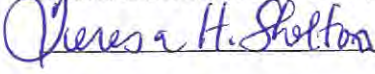
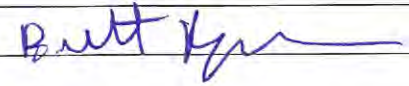
FUNDING:

(2) _____	REQUIRES CITY EXPENDITURE - (1) YES (2) NO
\$ _____	AMOUNT OF EXPENDITURE
\$ _____	REVENUE TO BE RECEIVED

SOURCE AND AMOUNT OF FUNDS

\$ _____	OPERATING BUDGET
\$ _____	CIP PROJECT # _____
\$ _____	FEDERAL/STATE/OTHER

ADMINISTRATIVE APPROVAL:

	<u>DATE</u>	<u>POSITION</u>
	<u>10/25/22</u>	PRINCIPAL PLANNER
_____	_____	DEPUTY ADMINISTRATOR
	<u>10/25/22</u>	ADMINISTRATOR
_____	_____	DIRECTOR (JOINT APPROVAL)
_____	_____	COMPTROLLER
_____	_____	FINANCE DIRECTOR
_____	_____	CITY ATTORNEY
_____	_____	CHIEF ADMINISTRATIVE OFFICER
_____	_____	COMMITTEE CHAIRMAN



Memphis City Council Summary Sheet

Z 22-06

ZONING ORDINANCE AMENDING ORDINANCE NO. 5367 OF CODE OF ORDINANCE, CITY OF MEMPHIS, TENNESSEE, ADOPTED ON AUGUST 10, 2010, AS AMENDED, KNOWN AS THE MEMPHIS AND SHELBY COUNTY UNIFIED DEVELOPMENT CODE, TO AUTHORIZE A ZONING USE DISTRICT RECLASSIFICATION FOR LAND LOCATED ON THE EAST SIDE OF NORTH BINGHAM, SOUTH OF JACKSON AVENUE. BY TAKING THE LAND OUT OF THE EMPLOYMENT (EMP) USE DISTRICT AND INCLUDING IT IN THE RESIDENTIAL URBAN – 3 (RU-3) USE DISTRICT, KNOWN AS CASE NUMBER Z 22-06

- Approval of this zoning district reclassification will be reflected on the Memphis and Shelby County Zoning Atlas; and
- No contracts are affected by this item; and
- No expenditure of funds/budget amendments are required by this item.

ORDINANCE NO: _____

ZONING ORDINANCE AMENDING ORDINANCE NO. 5367 OF CODE OF ORDINANCE, CITY OF MEMPHIS, TENNESSEE, ADOPTED ON AUGUST 10, 2010, AS AMENDED, KNOWN AS THE MEMPHIS AND SHELBY COUNTY UNIFIED DEVELOPMENT CODE, TO AUTHORIZE A ZONING USE DISTRICT RECLASSIFICATION FOR LAND LOCATED ON THE EAST SIDE OF NORTH BINGHAM, SOUTH OF JACKSON AVENUE. BY TAKING THE LAND OUT OF THE EMPLOYMENT (EMP) USE DISTRICT AND INCLUDING IT IN THE RESIDENTIAL URBAN – 3 (RU-3) USE DISTRICT, KNOWN AS CASE NUMBER Z 22-06

WHEREAS, a proposed amendment to the Memphis and Shelby County Unified Development Code, being Ordinance No. 5367 of the Code of Ordinances, City of Memphis, Tennessee, as amended, has been submitted to the Memphis and Shelby County Land Use Control Board for its recommendation, designated as **Case Number: Z 22-06**; and

WHEREAS, the Memphis and Shelby County Land Use Control Board has filed its recommendation and the Division of Planning and Development has filed its report and recommendation with the Council of the City of Memphis; and

WHEREAS, the Council of the City of Memphis has reviewed the aforementioned amendment pursuant to Tennessee Code Annotated Section 13-4-202(B)(2)(B)(iii) and has determined that said amendment is consistent with the Memphis 3.0 General Plan; and

WHEREAS, the provisions of the Code of Ordinances, City of Memphis, Tennessee, as amended, relating to the proposed amendment, have been complied with.

NOW THEREFORE, BE IT ORDAINED, BY THE COUNCIL OF THE CITY OF MEMPHIS:

SECTION 1:

THAT, the Memphis and Shelby County Unified Development Code, Ordinance No. 5367 of the Code of Ordinances, City of Memphis, as amended, be and the same hereby is amended with respect to Use Districts, as follows:

BY TAKING THE FOLLOWING PROPERTY OUT OF THE EMPLOYMENT (EMP) Use District and including it in the RESIDENTIAL URBAN – 3 (RU-3) Use District.

The following property located in the City of Memphis, Tennessee being more particularly described as follows:

BEGINNING at the point of intersection of the north line of Ogden avenue with the east line of Bingham Street, said point being the southwest corner of the parcel herein described; thence northwardly along the said east line of Bingham Street a distance of 184.4 feet to point; thence eastwardly and parallel with Ogden Avenue a distance of 112.5 feet to a point; thence southwardly and parallel with Bingham Street a distance of 184.4 feet to a point; thence westwardly along the north line of Ogden Avenue a distance of 112.5 feet to the point of beginning.

0 N. Bingham, Memphis, Tennessee 38112-Tax Parcel ID No.: 052-051-00032C

Part of the W. O. Crump's 4.28 acres of Lots 1 and 2, Phillips and White Subdivision in Memphis, Tennessee, and more particularly described by metes and bounds as follows:

Tract I:

Beginning at a point in the east line of Bingham Street a distance of 169.37 feet southwardly as measured along the east line of Bingham Street from its point of intersection with the present south line of Jackson Avenue; thence southwardly along the east line of Bingham Street a distance of 76.8 feet to a point; thence eastwardly making an angle of 79 degrees 15 minutes in the northeast quadrant a distance of 122.4 feet to a point; thence northwardly making an angle of 87 degrees 57 minutes in the northwest quadrant a distance of 73.47 feet to a point; thence westwardly a distance of 105.5 feet to the point of beginning.

Tract II:

Beginning at a point in the east line of Bingham Street a distance of 246.17 feet southwardly as measured along the east line of Bingham Street from its point of intersection with the present south line of Jackson Avenue; thence southwardly along the east line of Bingham Street a distance of 180.2 feet to a point in the north line of University Heights Subdivision; thence eastwardly along the north line of the University Heights Subdivision a distance of 473.62 feet to a point; thence northwardly making an angle in the northwest quadrant 90 degrees, 17 minutes a distance of 181 feet to a point; thence westwardly a distance of 442.4 feet to a point of beginning.

All being part of the same property as conveyed to the party of the first part by Quit Claim Deed of record at Instrument Number 21134548 in the Register's Office, Shelby County, Tennessee.

SECTION 2:

THAT, the Zoning Administrator of the Division of Planning and Development be, and is hereby directed to make the necessary changes in the Official Use District Maps to conform to the changes herein made; that all official maps and records of the Memphis and Shelby County Land Use Control Board and the City of Memphis be, and they hereby are, amended and changed so as to show the aforementioned amendment of the said Zoning Ordinance.

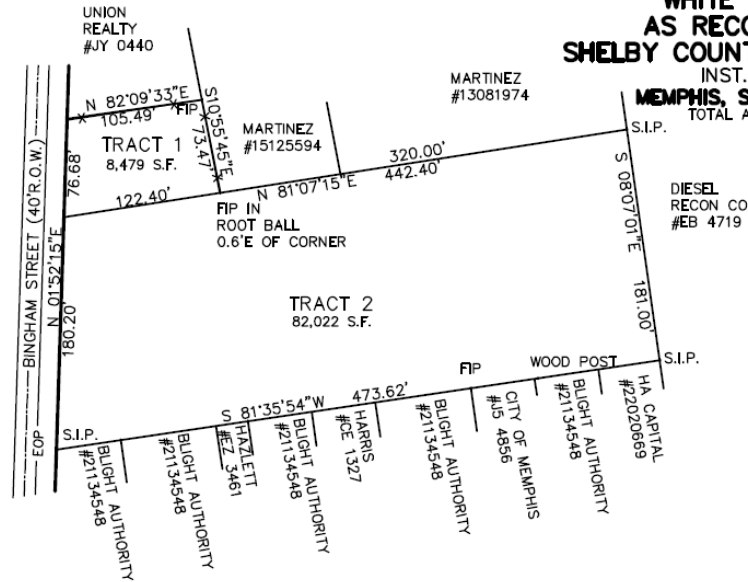
SECTION 3:

THAT, this ordinance take effect from and after the date it shall have been passed by the Council, signed by the Chairman of the Council, certified and delivered to the Office of the Mayor in writing by the comptroller, and become effective as otherwise provided by law.

ATTEST:

**CC: Division of Planning and Development
– Land Use and Development Services
– Office of Construction Enforcement
Shelby County Assessor**

**LOT SURVEY
TRACT 1 AND TRACT 2 OF
PART OF W.O. CRUMP'S 4.28 ACRES
OF LOTS 1 AND 2, PHILLIPS AND
WHITE SUBDIVISION
AS RECORDED AT THE
SHELBY COUNTY REGISTER'S OFFICE**
INST. #AW 5946
MEMPHIS, SHELBY COUNTY, TN
TOTAL AREA= 2.07 ACRES



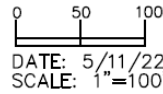
LEGEND
 FIP - FOUND IRON PIN
 SIP - SET IRON PIN
 EOP - EDGE OF PAVEMENT
NOTE: THERE ARE VISIBLE AND NON-VISIBLE UTILITIES ALONG BINGHAM ROAD. OTHER UTILITIES MAY BE LOCATED ON THE PROPERTY

NOTE: THIS FIRM DOES NOT PERFORM TITLE SEARCHES.

I HEREBY CERTIFY THAT THIS IS A CATEGORY II SURVEY AND THE ERROR OF POSITIONAL ACCURACY DOES NOT EXCEED 1/10 OF A FOOT AT ANY PROPERTY CORNER SHOWN HEREON, AND THAT THIS SURVEY MEETS THE MINIMUM REQUIREMENTS FOR THE STATE OF TENNESSEE.

THIS SURVEY HAS BEEN MADE USING THE LATEST RECORDED DEED TO THAT PROPERTY AND SHOWS ANY OTHER PERTINENT INFORMATION SUCH AS EASEMENTS, JOINT DRIVEWAYS, ETC. OF WHICH I HAVE BEEN ADVISED BY THE TITLE ATTORNEY.

THIS PROPERTY IS NOT LOCATED WITHIN A SPECIAL FLOOD HAZARD AREA PER FEMA FLOOD MAP #47157C0290 F DATED NOVEMBER 28, 2007.



PREPARED FOR:
 BRANDI JONES
 PREPARED BY:
 THE BRAY FIRM/
 SULLIVAN SURVEYING
 2950 STAGE PLAZA N.
 BARTLETT, TN 38134
 (901) 383-8668



LAND USE CONTROL BOARD RECOMMENDATION

At its regular meeting on **Thursday, October 13, 2022**, the Memphis and Shelby County Land Use Control Board held a public hearing on the following application:

CASE NUMBER: Z 22-06

LOCATION: East side of North Bingham, south of Jackson Avenue

COUNCIL DISTRICT(S): District 5, Super District 9 – Positions 1, 2, and 3

OWNER/APPLICANT: Harish Yakkala

REPRESENTATIVE: Harish Yakkala

REQUEST: Rezoning of +/-2.1 acres from Employment (EMP) to Residential Urban – 3 (RU-3)

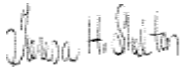
The following spoke in support of the application: None

The following spoke in opposition of the application: None

The Land Use Control Board reviewed the application and the staff report. A motion was made and seconded to recommend approval of the application.

The motion passed by a unanimous vote of 9-0 on the consent agenda.

Respectfully,

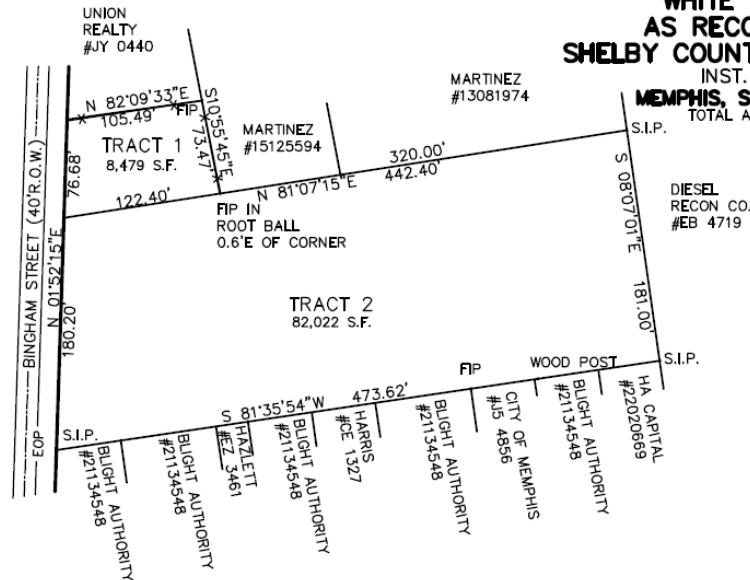


Teresa H. Shelton
Municipal Planner
Land Use and Development Services
Division of Planning and Development

Cc: Committee Members
File

**LOT SURVEY
TRACT 1 AND TRACT 2 OF
PART OF W.O. CRUMP'S 4.28 ACRES
OF LOTS 1 AND 2, PHILLIPS AND
WHITE SUBDIVISION
AS RECORDED AT THE
SHELBY COUNTY REGISTER'S OFFICE**

INST. #AW 5946
MEMPHIS, SHELBY COUNTY, TN
TOTAL AREA= 2.07 ACRES



LEGEND
FIP - FOUND IRON PIN
SIP - SET IRON PIN
EOP - EDGE OF PAVEMENT

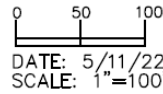
NOTE: THERE ARE VISIBLE AND NON-VISIBLE UTILITIES ALONG BINGHAM ROAD. OTHER UTILITIES MAY BE LOCATED ON THE PROPERTY

NOTE: THIS FIRM DOES NOT PERFORM TITLE SEARCHES.

I HEREBY CERTIFY THAT THIS IS A CATEGORY II SURVEY AND THE ERROR OF POSITIONAL ACCURACY DOES NOT EXCEED 1/10 OF A FOOT AT ANY PROPERTY CORNER SHOWN HEREON, AND THAT THIS SURVEY MEETS THE MINIMUM REQUIREMENTS FOR THE STATE OF TENNESSEE.

THIS SURVEY HAS BEEN MADE USING THE LATEST RECORDED DEED TO THAT PROPERTY AND SHOWS ANY OTHER PERTINENT INFORMATION SUCH AS EASEMENTS, JOINT DRIVEWAYS, ETC. OF WHICH I HAVE BEEN ADVISED BY THE TITLE ATTORNEY.

THIS PROPERTY IS NOT LOCATED WITHIN A SPECIAL FLOOD HAZARD AREA PER FEMA FLOOD MAP #47157C0290 F DATED NOVEMBER 28, 2007.



PREPARED FOR:
BRANDI JONES

PREPARED BY:
THE BRAY FIRM/
SULLIVAN SURVEYING
2950 STAGE PLAZA N.
BARTLETT, TN 38134
(901) 383-8668



AGENDA ITEM: 5

CASE NUMBER: Z 2022-06 **L.U.C.B. MEETING:** October 13, 2022

LOCATION: 0 N Bingham St.

COUNCIL DISTRICT: District 5 and Super District 9 – Positions 1, 2, and 3

OWNER/APPLICANT: Harish Yakkala

REPRESENTATIVE: Harish Yakkala

REQUEST: Rezoning of +/- 2.1 acres from Employment (EMP) to Residential Urban - 3 (RU-3) on the east side of North Bingham, south of Jackson Ave.

AREA: +/-2.1 acres

EXISTING ZONING: Employment (EMP)

CONCLUSIONS

1. The applicant is requesting a rezoning of +/- 2.1 acres from Employment (EMP) to Residential Urban - 3 (RU-3) on the east side of North Bingham, south of Jackson Ave.
2. The purpose of this request is to develop a 40-unit multifamily housing apartment complex on this lot.
3. This requested use is not compatible with the future land use description/intent, form & location characteristics and zoning notes as the proposed use is residential rather than industrial. However, the existing, adjacent land uses on the north, west and south side of the parcel are residential, and the proposed use is **consistent** with these uses.
4. The subject property is vacant at this time.

CONSISTENCY WITH MEMPHIS 3.0

This proposal is consistent with the Memphis 3.0 General Plan per the land use decision criteria. See further analysis on pages 10-12 of this report.

RECOMMENDATION

Approval

GENERAL INFORMATION

Street Frontage: North Bingham Street +/-253.0 curvilinear feet
Zoning Atlas Page: 1935
Parcel ID: 052051 00032C
Existing Zoning: Employment (EMP)
Requested Zoning: Residential Urban -3 (RU-3)

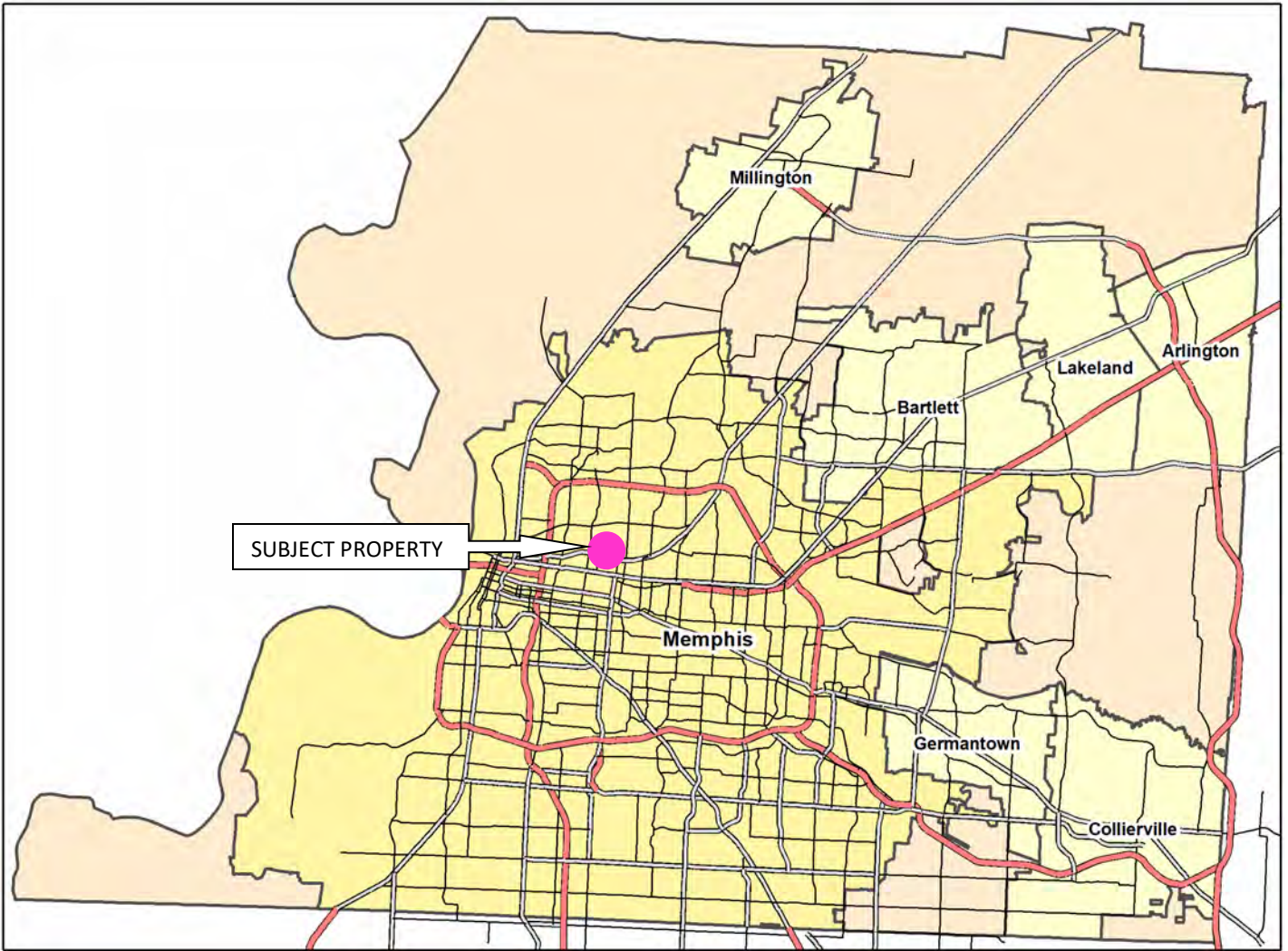
NEIGHBORHOOD MEETING

The meeting was held at 6:30 PM on Wednesday, August 24, 2022, at Taco Loco located at 3964 Jackson Ave. (See page 17 of this report)

PUBLIC NOTICE

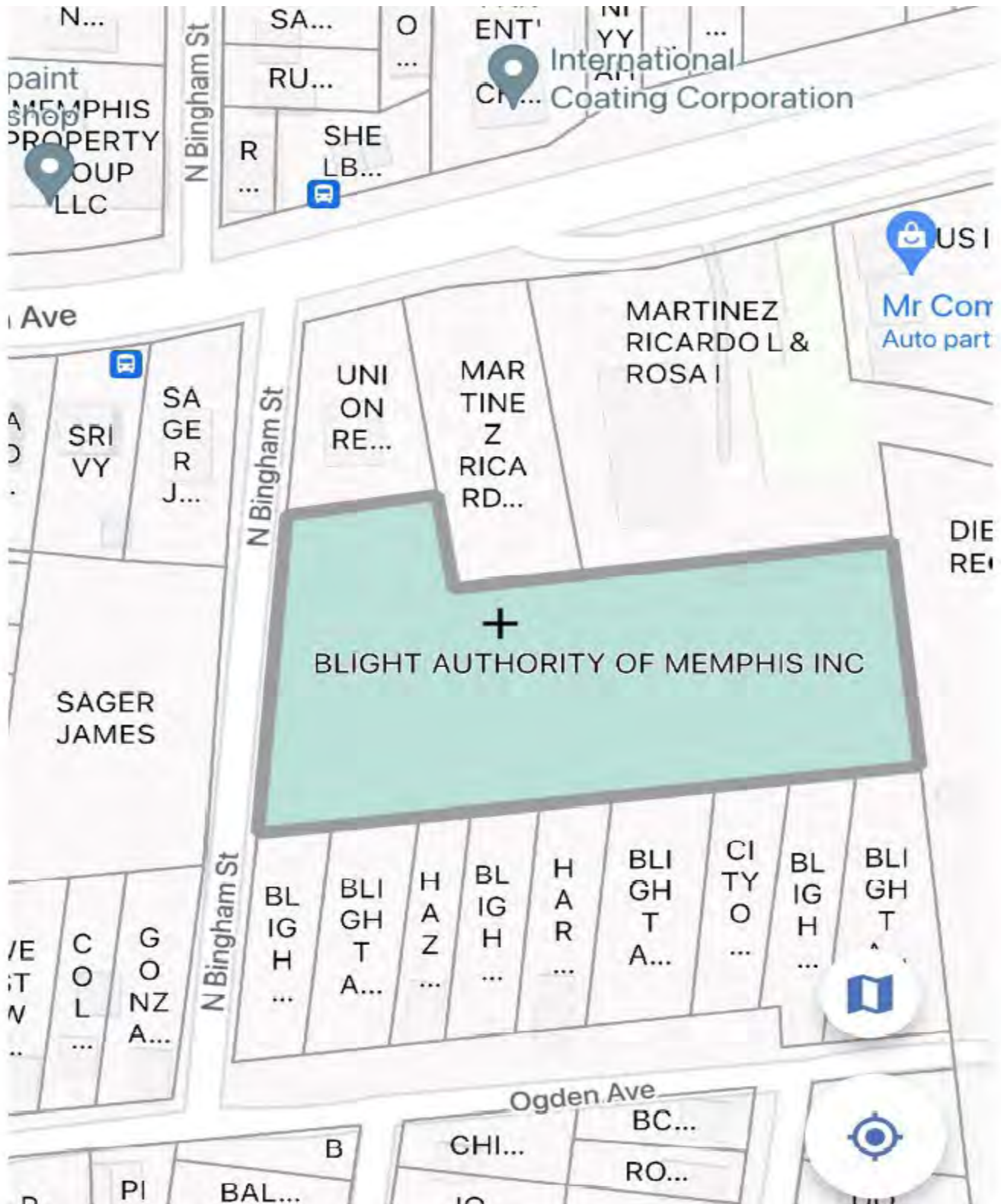
In accordance with Sub-Section 9.3.4A of the Unified Development Code, a notice of public hearing is required to be mailed and signs posted. A total of 104 notices were mailed on August 25, 2022, and a total of 1 sign posted at the subject property. The sign affidavit has been added to this report. (See page 16 of this report)

LOCATION MAP



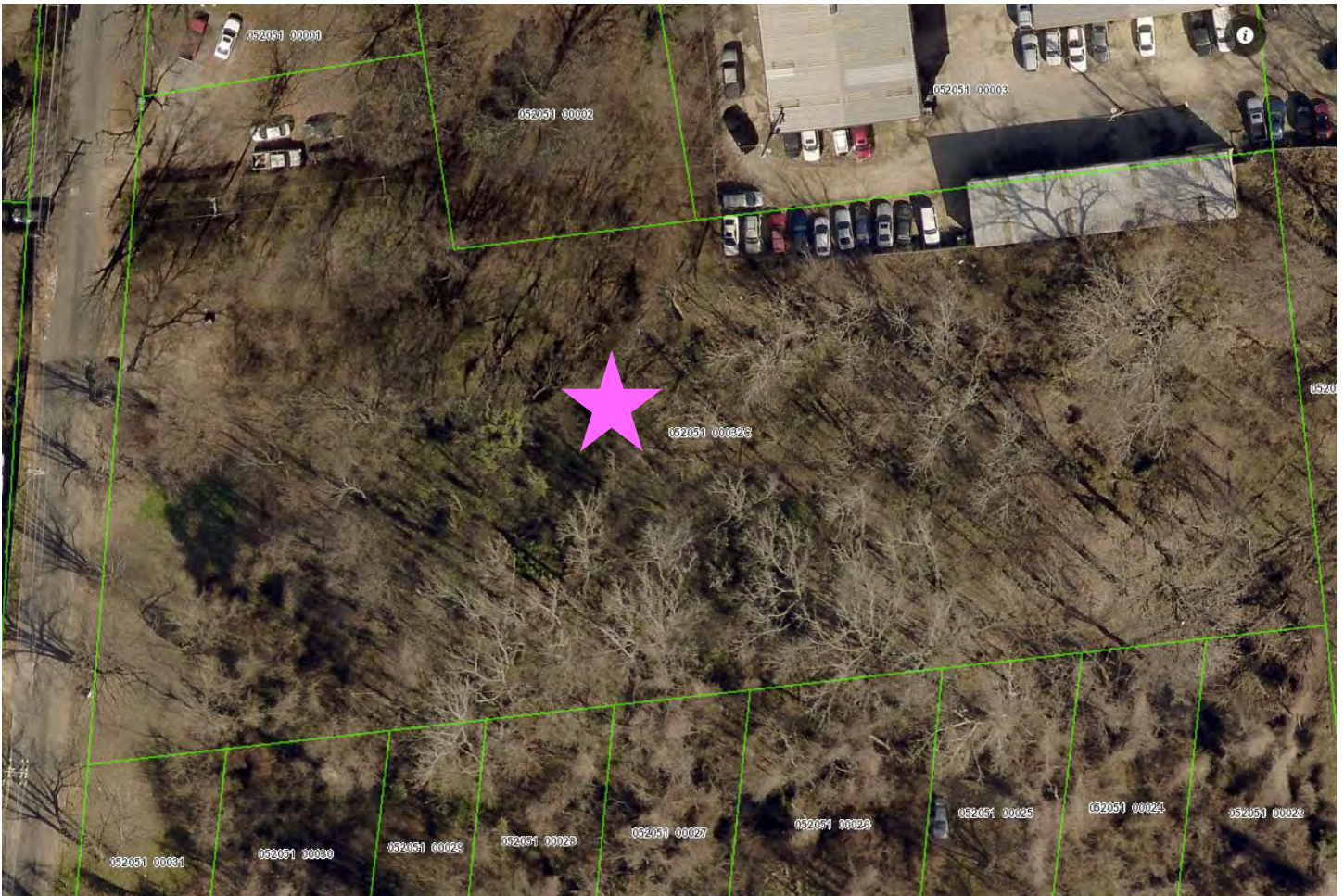
Subject property located within the pink circle

VICINITY MAP



Subject property highlighted in sea green

AERIAL



Subject property indicated by a pink star

ZONING MAP



Subject property indicated by a pink star

Existing Zoning: Employment (EMP)

Surrounding Zoning

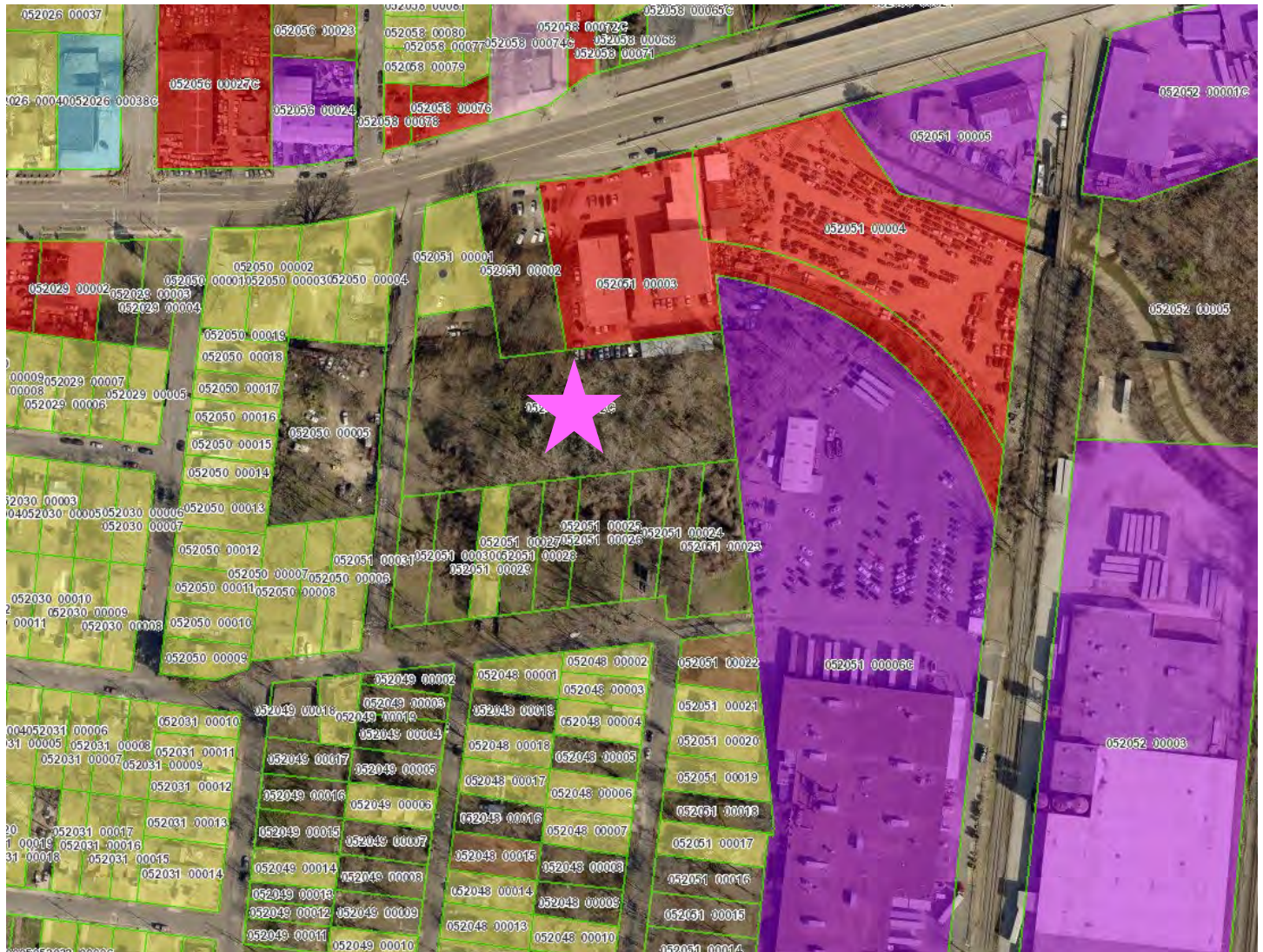
North: RU-1

East: EMP

South: RU-1

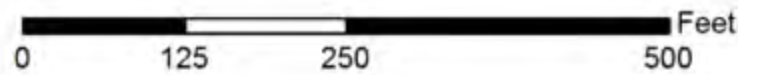
West: RU-1

LAND USE MAP



LandUse

- | | |
|---|--|
|  SINGLE-FAMILY |  OFFICE |
|  MULTI-FAMILY |  INDUSTRIAL |
|  INSTITUTIONAL |  PARKING |
|  COMMERCIAL |  VACANT |
|  RECREATIONAL / OPEN SPACE | |



Subject property indicated by pink star

SITE PHOTOS



View of subject property from N Bingham looking northeast



View of subject property from N Bingham looking north

STAFF ANALYSIS

Request

The application and letter of intent have been added to this report.

The request is to rezone +/- 2.1 acres from Employment (EMP) to Residential Urban - 3 (RU-3) on the east side of North Bingham, south of Jackson Ave.

Review Criteria

Staff agrees the review criteria as set out in Sub-Section 9.5.7B of the Unified Development Code are met.

9.5.7B Review Criteria

In making recommendations, the Land Use Control Board shall consider the following matters:

- 9.5.7B(1) Consistency with any plans to be considered (see Chapter 1.9);*
- 9.5.7B(2) Compatibility with the present zoning (including any residential corridor overlay district) and conforming uses of nearby property and with the character of the neighborhood;*
- 9.5.7B(3) Suitability of the subject property for uses permitted by the current versus the proposed district;*
- 9.5.7B(4) Whether the proposed change tends to improve the balance of uses, or meets a specific demand in the City or County; and*
- 9.5.7B(5) The availability of adequate police services, fire services, school, road, park, wastewater treatment, water supply and stormwater drainage facilities for the proposed zoning.*

Comprehensive Planning Review of Memphis 3.0 Consistency

This summary is being produced in response to the following application to support the Land Use and Development Services department in their recommendation: LUCB Z 22-06: Hyde Park

Site Address/Location: 0 N Bingham Street (Parcel ID: 052051 00032C)

Overlay District/Historic District/Flood Zone: Not in an Overlay District, Historic District, or Flood Zone

Future Land Use Designation: Industrial Flex (IF)

Street Type:

The applicant is seeking a rezone a parcel from EMP to RU-3, with the intention of constructing a 40-unit multifamily housing apartment on the lot.

The following information about the land use designation can be found on pages 76 – 122:

1. Future Land Use Planning Map



Red polygon indicates the application site on the Future Land Use Map.

2. Land Use Description/Intent

Lower intensity industrial areas with a mix of uses and building scales that are generally compatible with nearby neighborhoods. Graphic portrayal of IF is to the right.



“IF” Form & Location Characteristics

Industrial with some commercial and service uses 1-6 stories

“IF” Zoning Notes

Generally compatible with the following zone districts: EMP, IH in accordance with Form and characteristics listed below. Consult zoning map and applicable overlays for current and effective regulations. May consider establishing Industrial mixed-use zones or CMU-zones that can accommodate compatible production-oriented facilities related to neighborhoods, using EMP more specifically to certain kinds of development (at the time of a small area plan).

Existing, Adjacent Land Use and Zoning

Existing Land Use and Zoning: Vacant, EMP

Adjacent Land Use and Zoning: Single-Family, Multi-Family, Industrial and Commercial; EMP, CMU-3 and RU-1

Overall Compatibility: *This requested use is not compatible with the future land use description/intent, form & location characteristics and zoning notes as the proposed use is residential rather than industrial. However, the existing, adjacent land uses on the north, west and south side of the parcel are residential, and the proposed use is consistent with these uses.*

3. Degree of Change Map



Red polygon denotes the proposed site on the Degree of Change Map. There is no Degree of Change.

4. Degree of Change Description

N/A

5. Objectives/Actions Consistent with Goal 1, Complete, Cohesive, Communities

The requested use is consistent with Objective 1.3 – Develop strategies that reduce blight and vacancy, Action 1.3.8 – Outside of anchor neighborhoods, consider transitional land uses for vacant properties following the Vacant Lot Activation Toolkit; The proposed use would serve as a transition between the lighter industrial uses to the east of the property and the single-family neighborhood to the south and west of the property by utilizing vacant land and reducing blight.

6. Pertinent Sections of Memphis 3.0 that Address Land Use Recommendations

N/A

Consistency Analysis Summary

The applicant is seeking to rezone a parcel from EMP to RU-3 with the intention of constructing a 40-unit multifamily housing apartment on the lot.

This requested use is not compatible with the future land use description/intent, form & location characteristics and zoning notes as the proposed use is residential rather than industrial. However, the existing, adjacent land uses on the north, west and south side of the parcel are residential, and the proposed use is consistent with these uses.

The requested use is consistent with Memphis 3.0 Goal 1.3 – Develop strategies that reduce blight and vacancy. Action 1.3.8 – Outside of anchor neighborhoods, consider transitional land uses for vacant properties following the Vacant Lot Activation Toolkit as the proposed use would serve as a transition between the lighter industrial uses to the east of the property and the single-family neighborhood to the south and west of the property by utilizing vacant land and reducing blight.

Based on the information provided, the proposal is CONSISTENT with the Memphis 3.0 Comprehensive Plan.

Summary Compiled by: Brian Mykulyn, Comprehensive Planning.

Conclusions

The applicant is requesting a rezoning of +/- 2.1 acres from Employment (EMP) to Residential Urban - 3 (RU-3) on the east side of North Bingham, south of Jackson Ave.

The purpose of this request is to develop a 40-unit multifamily housing apartment complex on this lot.

This requested use is not compatible with the future land use description/intent, form & location characteristics and zoning notes as the proposed use is residential rather than industrial. However, the existing, adjacent land uses on the north, west and south side of the parcel are residential, and the proposed use is **consistent** with these uses.

The subject property is vacant at this time.

RECOMMENDATION

Staff recommends approval.

DEPARTMENTAL COMMENTS

The following comments were provided by agencies to which this application was referred:

City/County Engineer: DATE: **9/1/2022**

CASE: Z-22-06 NAME: **Hyde Park: EMP to RU-3**

Sewers:

1. The availability of City sanitary sewer is currently unknown. Once the developer has submitted proposed sewer discharge rates to the City's Sewer Design Dept, a determination can be made as to available sewer capacity.
2. If sewer services are approved for this development, all sewer connections must be designed and installed by the developer. This service is no longer offered by the Public Works Division.

City/County Fire Division: No comments received.

City Real Estate: No comments received.

City/County Health Department: No comments received.

Shelby County Schools: No comments received.

Construction Code Enforcement: No comments received.

Memphis Light, Gas and Water: No comments received.

Office of Sustainability and Resilience: No comments received.

Office of Comprehensive Planning: SEE PAGES 10-12

LETTER OF INTENT



July 8th, 2022

To:
Land Use Control Board, Memphis and Shelby County
Division of Planning and Development, Memphis and Shelby County

From: Harish Yakkala

Re: Letter of Intent – North Bingham Street Rezoning – Parcel 05205100032C

Harish Yakkala (Owner of SRIVY General Partnership) is requesting for an rezoning and subdividing Parcel 05205100032C located on North Bingham Street, South of Jackson Ave, North of Ogden Avenue. Proposal is to rezone it to allow multifamily construction (40 Units). I also recently purchase four additional lots on Ogden Avenue (Parcels - 052051 00031, 052051 00030, 052051 00028, 052051 00026) which are currently zoned residential and planning in progress to build single family homes. I am attaching the zoning application, recorded deed, conceptual multifamily plan, floor plan and elevations.

I kindly request the boards approval for this Project.

Truly,

A handwritten signature in black ink that reads "Harish Yakkala".

07/08/2022

Harish Yakkala

Date

SIGN AFFIDAVIT

AFFIDAVIT

Shelby County
State of Tennessee

I, HARISH YAKKALA, being duly sworn, depose and say that at 5:30 am/pm on the 6th day of September, 2022, I posted 1 Public Notice Sign(s) pertaining to Case No. E-2022-006 at Panel-05205100032C (N Bingham St) providing notice of a Public Hearing before the (check one):

- Land Use Control Board
- Board of Adjustment
- Memphis City Council
- Shelby County Board of Commissioners

for consideration of a proposed land use action, a photograph of said sign(s) being attached hereon and a copy of the sign purchase receipt or rental contract attached hereto.

HARISH YAKKALA Harish
Owner, Applicant or Representative

9/7/2022
Date

Subscribed and sworn to before me this 17th day of September, 2022.

Janet McIlvan
Notary Public

My Comm. Exp. May 8, 2023

My commission expires: _____



NEIGHBORHOOD MEETING MINUTES

Meeting minutes from Neighborhood Meeting - held at 3964 Jackson Ave at 6:30 PM on 8/24/2022

- Sherly Hazlett - Owner of 2614 Ogden Ave - sent in her representative Brian (son), he inquired about the project and wanted to know the price range for rents and told him it will be around \$900 and explained to him our tenant screening process. He was happy and supportive of the project.
- Lucille Alexander - Owner of 755 N Bingham St - She is the neighborhood watch president and was at the meeting personally. She inquired if we are willing to do something to the community/neighborhood as we have the four lots adjacent to the subject property. Told her that we are open to donating one of the lots to the city, if the city is willing to make that as a small play area or a small park. She wanted to see if I will give this in writing, and told her that I will first run this by you and go from there. Not sure, if the City would take on a project like that or not.
- Cimone Beal - Owner of 778 Los Angeles - she and her sister (who owned a lot on Los Angeles Street - don't have the address) were at the meeting ahead of time and I handed them the project notes. They were interested to know what's happening in the neighborhood etc. and were happy with the project.

Neighbors Contacted prior to the meeting

- James Sager - Owner of 2589 Jackson Ave - James called me after he got the letter about the project that you mailed out and he inquired about the project. He lived here for 40 years and was not in favor of apartments and I explained to him that this apartment will only enhance the value of the neighborhood and not deteriorate it. After the phone call, I met him personally, when I was visiting the property on 8/20/2022 - we had a great conversation and agreed that we as good neighbors will be working in the best of interest of him and the neighborhood in general. He did say he cannot attend the meeting, but we discussed all aspects ahead of time.
- Magaly Cruz - cruzmagaly96@gmail.com - she contacted by email and not sure, what lot she's representing or owner of and I couldn't get the address - she requested me to share the plans and rezoning application and I shared it by email. She asked what the price range for each apartment will be and I told her it will be around \$900. She wanted to get updates as we progressed with the project and I corresponded with her that I will be sharing updates periodically.

LETTERS RECEIVED

No letters received at the time of completion of this report.



**MEMPHIS AND
SHELBY COUNTY** **DIVISION OF PLANNING
AND DEVELOPMENT**

City Hall – 125 N. Main Street, Suite 468 – Memphis, Tennessee 38103 – (901) 636-6619

October 14, 2022

Harish Yakkala
875 W. Poplar Ave., Ste. 23-232
Collierville, TN 38017

Sent via electronic mail to: harish@srivy.com

Case Number: Z 22-06
LUCB Recommendation: Approval

Dear applicant,

On Thursday, October 13, 2022, the Memphis and Shelby County Land Use Control Board recommended **approval** of your rezoning application of 2.1 acres located on the east side of North Bingham, south of Jackson Avenue to be included in the Residential Urban – 3 (RU-3) Zoning District.

This application will be forwarded, for final action, to the Council of the City of Memphis. Ordinances appear on three consecutive Council Agendas with the third one being the Public Hearing. The Council will review your application in a committee meeting prior to voting on it in a public hearing. The applicant or the applicant's representative(s) shall be in attendance at all meetings and hearings.

It is the applicant's responsibility to contact the City Council Records Office to determine when the application is scheduled to be heard at committee and in public session. The City Council Records Office may be reached at (901) 636-6792.

If for some reason you choose to withdraw your application, a letter should be mailed to the Land Use and Development Services Department of the Division of Planning and Development at the address provided above or emailed to the address provided below.

If you have questions regarding this matter, please feel free to contact me at (901) 636-6619 or via email at teresa.shelton@memphistn.gov.

Respectfully,



Teresa H. Shelton
Municipal Planner
Land Use and Development Services
Division of Planning and Development

Letter to Applicant
Z 22-06

Cc: Harish Yakkala
File



Memphis City Council Summary Sheet

SAC 22-006

RESOLUTION APPROVING THE CLOSURE OF MAGGIE H. ISABEL STREET BETWEEN ADAMS AVENUE AND JEFFERSON AVENUE AND THE CONTIGUOUS PUBLIC ALLEY WEST OF MAGGIE H. ISABEL STREET, KNOWN AS CASE NUMBER SAC 22-006

- This item is a resolution with conditions to allow the above; and
- This item may require a new public improvement contract.

LAND USE CONTROL BOARD RECOMMENDATION

At its regular meeting on **Thursday, September 8, 2022**, the Memphis and Shelby County Land Use Control Board held a public hearing on the following application:

CASE NUMBER:	SAC 22-006
LOCATION:	North-south public right-of-way of Maggie H. Isabel Street located between Jefferson Avenue and Adams Avenue and the unnamed contiguous public alley west of Maggie H. Isabel Street
COUNCIL DISTRICT(S):	District 6 and Super District 8 – Positions 1, 2, and 3
OWNER/APPLICANT:	Calvary Episcopal Church
REPRESENTATIVE:	Tim McCaskill for The Reaves Firm
REQUEST:	Close and vacate public right-of-way and contiguous public alley
EXISTING ZONING:	Central Business District
AREA:	0.194 acres

The following spoke in support of the application: None

The following spoke in opposition of the application: None

The Land Use Control Board reviewed the application and the staff report. A motion was made and seconded to recommend approval with conditions of the application.

The motion passed by a unanimous vote of 9-0 on the consent agenda.

Respectfully,
Kendra Cobbs

Kendra Cobbs
Principal Planner
Land Use and Development Services
Division of Planning and Development

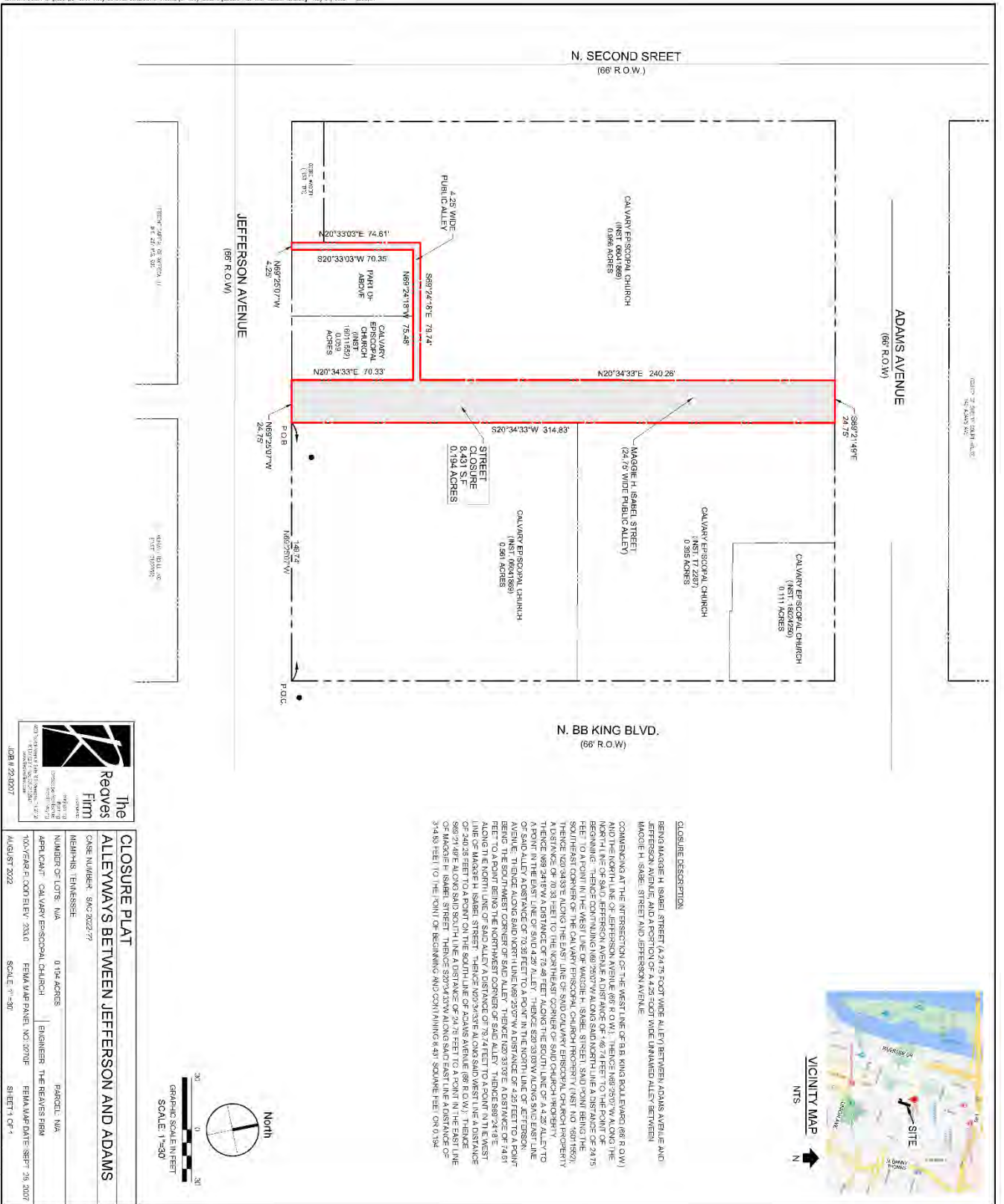
Cc: Committee Members
File

SAC 22-006
CONDITIONS

1. Standard Subdivision Contract or Right-Of-Way Permit as required in Section 5.5.5 of the Unified Development Code.
2. Provide easements for existing sanitary sewers, drainage facilities and other utilities or relocate at developer's expense. Note: A sanitary sewer line is located in the closure area.
3. City sanitary sewers/drainage facilities are located within the proposed closure area.
4. The applicant shall provide for the construction of curb, gutter and sidewalk across the closure as required by the City Engineer. If the City Engineer approves access, the applicant shall construct a City Standard curb cut across the closure, all to the satisfaction of the City Engineer, and at the applicant's expense. The applicant shall enter into a Standard Improvement Contract or obtain a Right of Way permit from the City Engineer to cover the above required construction work.
5. The applicant shall comply with all conditions of the closure within 3 years of the conditional approval of the closure by the City Council.
6. Adequate queuing spaces in accordance with section 4.4.8 of the UDC shall be provided between the street right-of-way line and any proposed gate/guardhouse/card reader.
7. Adequate maneuvering room shall be provided between the right-of-way and the gate/guardhouse/card reader for vehicles to exit by forward motion.

CLOSURE PLAT

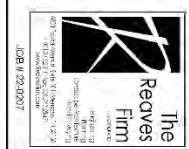
Christine 2/24/2007 10:27:02-2007 Wiley between Jefferson & Adams (P) Wiley Closure (Issue) (not with Model) (and) (w) Aug 24, 2007 - 3:56pm



CLOSURE DESCRIPTION

BEING MAGGIE H. ISABEL STREET (24' 7.5" WIDE PUBLIC ALLEY) BETWEEN ADAMS AVENUE AND JEFFERSON AVENUE (66' R.O.W.) AND A PORTION OF A 4.29 WIDE UNIMPROVED ALLEY BETWEEN MAGGIE H. ISABEL STREET AND JEFFERSON AVENUE.

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF N. BB KING BLVD. (66' R.O.W.) AND THE NORTH LINE OF JEFFERSON AVENUE (66' R.O.W.); THENCE N89°25'07"W ALONG THE WEST LINE OF JEFFERSON AVENUE A DISTANCE OF 148.72 FEET TO A POINT BEING THE BEGINNING; THENCE CONTINUING N69°25'07"W ALONG SAID NORTH LINE A DISTANCE OF 24.75 FEET TO A POINT IN THE WEST LINE OF MAGGIE H. ISABEL STREET, SAID POINT BEING THE SOUTHEAST CORNER OF THE CALVARY EPISCOPAL CHURCH PROPERTY (INST. NO. 18021850); THENCE N20°34'33"E ALONG THE EAST LINE OF SAID CALVARY EPISCOPAL CHURCH PROPERTY A DISTANCE OF 70.33 FEET TO THE EAST LINE OF SAID CHURCH PROPERTY; THENCE S89°24'18"E ALONG SAID EAST LINE A DISTANCE OF 79.74 FEET TO A POINT IN THE EAST LINE OF SAID CHURCH PROPERTY; THENCE S20°33'03"E ALONG SAID EAST LINE A DISTANCE OF 70.35 FEET TO A POINT IN THE NORTH LINE OF JEFFERSON AVENUE; THENCE ALONG SAID NORTH LINE N89°25'07"W A DISTANCE OF 4.29 FEET TO A POINT BEING THE SOUTHWEST CORNER OF SAID ALLEY; THENCE N20°33'03"E A DISTANCE OF 74.61 FEET TO A POINT IN THE EAST LINE OF SAID ALLEY; THENCE E20°33'03"W ALONG SAID EAST LINE A DISTANCE OF 24.75 FEET TO A POINT IN THE EAST LINE OF JEFFERSON AVENUE; THENCE ALONG SAID NORTH LINE N89°25'07"W A DISTANCE OF 75.48 FEET TO A POINT BEING THE SOUTHWEST CORNER OF SAID ALLEY; THENCE N20°33'03"E A DISTANCE OF 70.33 FEET TO A POINT IN THE EAST LINE OF SAID ALLEY; THENCE N20°34'33"E ALONG SAID WEST LINE A DISTANCE OF 24.75 FEET TO A POINT ON THE SOUTH LINE OF ADAMS AVENUE (66' R.O.W.); THENCE S89°24'18"E ALONG SAID SOUTH LINE A DISTANCE OF 24.75 FEET TO A POINT IN THE EAST LINE OF MAGGIE H. ISABEL STREET; THENCE S20°33'03"W ALONG SAID EAST LINE A DISTANCE OF 74.61 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.194 ACRES BEING 8,431 SF.



CLOSURE PLAT			
ALLEYS BETWEEN JEFFERSON AND ADAMS			
CASE NUMBER:	SAC2002-77		
MEMBER:	MEMPHIS, TENNESSEE		
NUMBER OF LOTS:	N/A	0.194 ACRES	PARCEL N/A
APPLICANT:	CALVARY EPISCOPAL CHURCH	ENGINEER:	THE REVVES FIRM
TOWN/PLAT/SECTION/ELEV:	2310	FEMA MAP PANEL:	NO. 200F
DATE:	AUGUST 2002	SCALE:	1" = 30'
		DATE SHEET:	25, 2007
			SHEET 1 OF 1



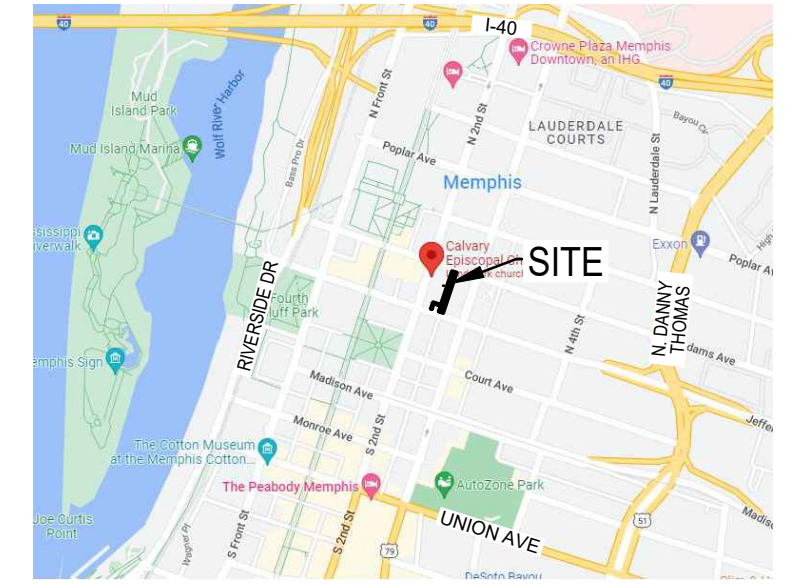
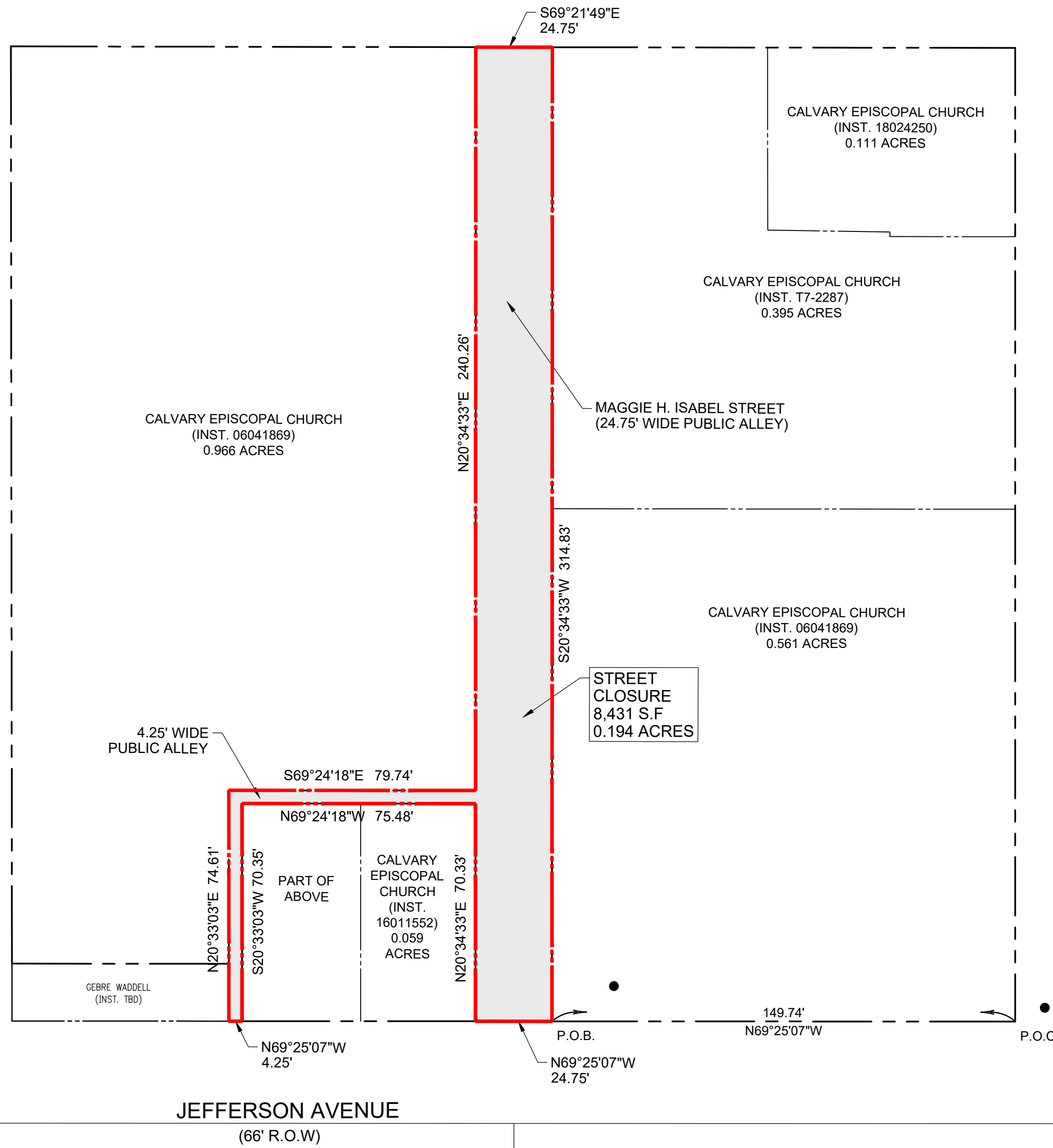
Christine 2024 2:2022-02-0207 Alley Closure Closure Plat with Waddell land.dwg Aug 04, 2022 - 2:56pm

COUNTY OF SHELBY COURT HOUSE
140 ADAMS AVE

ADAMS AVENUE
(66' R.O.W.)

N. SECOND SREET
(66' R.O.W.)

N. BB KING BLVD.
(66' R.O.W.)

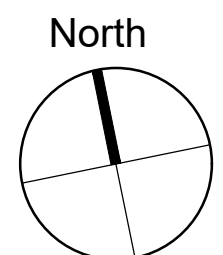


VICINITY MAP
NTS
N

CLOSURE DESCRIPTION

BEING MAGGIE H. ISABEL STREET (A 24.75 FOOT WIDE ALLEY) BETWEEN ADAMS AVENUE AND JEFFERSON AVENUE, AND A PORTION OF A 4.25 FOOT WIDE UNNAMED ALLEY BETWEEN MAGGIE H. ISABEL STREET AND JEFFERSON AVENUE.

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF B.B. KING BOULEVARD (66' R.O.W.) AND THE NORTH LINE OF JEFFERSON AVENUE (66' R.O.W.); THENCE N69°25'07"W ALONG THE NORTH LINE OF SAID JEFFERSON AVENUE A DISTANCE OF 149.74 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING N69°25'07"W ALONG SAID NORTH LINE A DISTANCE OF 24.75 FEET TO A POINT IN THE WEST LINE OF MAGGIE H. ISABEL STREET, SAID POINT BEING THE SOUTHEAST CORNER OF THE CALVARY EPISCOPAL CHURCH PROPERTY (INST. NO. 16011552); THENCE N20°34'33"E ALONG THE EAST LINE OF SAID CALVARY EPISCOPAL CHURCH PROPERTY A DISTANCE OF 70.33 FEET TO THE NORTHEAST CORNER OF SAID CHURCH PROPERTY; THENCE N69°24'18"W A DISTANCE OF 75.48 FEET ALONG THE SOUTH LINE OF A 4.25' ALLEY TO A POINT IN THE EAST LINE OF SAID 4.25' ALLEY; THENCE S20°33'03"W ALONG SAID EAST LINE OF SAID ALLEY A DISTANCE OF 70.35 FEET TO A POINT IN THE NORTH LINE OF JEFFERSON AVENUE; THENCE ALONG SAID NORTH LINE N69°25'07"W A DISTANCE OF 4.25 FEET TO A POINT BEING THE SOUTHWEST CORNER OF SAID ALLEY; THENCE N20°33'03"E A DISTANCE OF 74.61 FEET TO A POINT BEING THE NORTHWEST CORNER OF SAID ALLEY; THENCE S69°24'18"E ALONG THE NORTH LINE OF SAID ALLEY A DISTANCE OF 79.74 FEET TO A POINT IN THE WEST LINE OF MAGGIE H. ISABEL STREET; THENCE N20°34'33"E ALONG SAID WEST LINE A DISTANCE OF 240.26 FEET TO A POINT ON THE SOUTH LINE OF ADAMS AVENUE (66' R.O.W.); THENCE S69°21'49"E ALONG SAID SOUTH LINE A DISTANCE OF 24.75 FEET TO A POINT IN THE EAST LINE OF MAGGIE H. ISABEL STREET; THENCE S20°34'33"W ALONG SAID EAST LINE A DISTANCE OF 314.83 FEET TO THE POINT OF BEGINNING AND CONTAINING 8,431 SQUARE FEET OR 0.194



30 0 30
GRAPHIC SCALE IN FEET
SCALE: 1"=30'



JOB # 22-0207

CLOSURE PLAT		
ALLEYWAYS BETWEEN JEFFERSON AND ADAMS		
CASE NUMBER: SAC 2022-??		
MEMPHIS, TENNESSEE		
NUMBER OF LOTS: N/A	0.194 ACRES	PARCEL: N/A
APPLICANT: CALVARY EPISCOPAL CHURCH		ENGINEER: THE REAVES FIRM
100-YEAR FLOOD ELEV: 233.0	FEMA MAP PANEL NO: 0270F	FEMA MAP DATE: SEPT. 28, 2007
AUGUST 2022	SCALE: 1" = 30'	SHEET 1 OF 1



Resolution approving the closure of Maggie H. Isabel Street (a 24.75-foot-wide alley) between Adams Avenue and Jefferson Avenue, and a portion of a 4.25-foot-wide unnamed alley between Maggie H. Isabel Street and Jefferson Avenue, known as case number SAC 22-006

WHEREAS, the City of Memphis is the owner of real property known as Maggie H. Isabel Street (a 24.75-foot-wide alley) between Adams Avenue and Jefferson Avenue, and a portion of a 4.25-foot-wide unnamed alley between Maggie H. Isabel Street and Jefferson Avenue in Memphis, Tennessee and being more particularly described as follows:

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF B.B. KING BOULEVARD (66' R.O.W.) AND THE NORTH LINE OF JEFFERSON AVENUE (66' R.O.W.); THENCE N69°25'07"W ALONG THE NORTH LINE OF SAID JEFFERSON AVENUE A DISTANCE OF 149.74 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING N69°25'07"W ALONG SAID NORTH LINE A DISTANCE OF 24.75 FEET TO A POINT IN THE WEST LINE OF MAGGIE H. ISABEL STREET, SAID POINT BEING THE SOUTHEAST CORNER OF THE CALVARY EPISCOPAL CHURCH PROPERTY (INST. NO. 16011552); THENCE N20°34'33"E ALONG THE EAST LINE OF SAID CALVARY EPISCOPAL CHURCH PROPERTY A DISTANCE OF 70.33 FEET TO THE NORTHEAST CORNER OF SAID CHURCH PROPERTY; THENCE N69°24'18"W A DISTANCE OF 75.48 FEET ALONG THE SOUTH LINE OF A 4.25' ALLEY TO A POINT IN THE EAST LINE OF SAID 4.25' ALLEY; THENCE S20°33'03"W ALONG SAID EAST LINE OF SAID ALLEY A DISTANCE OF 70.35 FEET TO A POINT IN THE NORTH LINE OF JEFFERSON AVENUE; THENCE ALONG SAID NORTH LINE N69°25'07"W A DISTANCE OF 4.25 FEET TO A POINT BEING THE SOUTHWEST CORNER OF SAID ALLEY; THENCE N20°33'03"E A DISTANCE OF 74.61 FEET TO A POINT BEING THE NORTHWEST CORNER OF SAID ALLEY; THENCE S69°24'18"E ALONG THE NORTH LINE OF SAID ALLEY A DISTANCE OF 79.74 FEET TO A POINT IN THE WEST LINE OF MAGGIE H. ISABEL STREET; THENCE N20°34'33"E ALONG SAID WEST LINE A DISTANCE OF 240.26 FEET TO A POINT ON THE SOUTH LINE OF ADAMS AVENUE (66' R.O.W.); THENCE S69°21'49"E ALONG SAID SOUTH LINE A DISTANCE OF 24.75 FEET TO A POINT IN THE EAST LINE OF MAGGIE H. ISABEL STREET; THENCE S20°34'33"W ALONG SAID EAST LINE A DISTANCE OF 314.83 FEET TO THE POINT OF BEGINNING AND CONTAINING 8,431 SQUARE FEET OR 0.194 ACRES MORE OR LESS.

WHEREAS, the City of Memphis has reviewed the recommendation of the Land Use Control Board and the report and recommendation of the Division of Planning and Development and desires to close the hereinabove described public right-of-way and it is deemed to be in the best interest of the City of Memphis that said public right-of-way be vacated, and revert to the abutting property owner(s); and

City Council Resolution

WHEREAS, a public hearing in relation thereto was held before the Memphis and Shelby County Land Use Control Board on September 8, 2022, and said Board has submitted its findings and recommendation to the Council of the City of Memphis subject to the following conditions:

1. Provide Standard Subdivision Contract or Right-Of-Way Permit as required in Section 5.5.5 of the Unified Development Code.
2. Provide easements for existing sanitary sewers, drainage facilities and other utilities or relocate at developer's expense. Note: A sanitary sewer line is located in the closure area.
3. City sanitary sewers/drainage facilities are located within the proposed closure area.
4. The applicant shall provide for the construction of curb, gutter and sidewalk across the closure as required by the City Engineer. If the City Engineer approves access, the applicant shall construct a City Standard curb cut across the closure, all to the satisfaction of the City Engineer, and at the applicant's expense. The applicant shall enter into a Standard Improvement Contract or obtain a curb cut permit from the City Engineer to cover the above required construction work.
5. The applicant shall comply with all conditions of the closure within three years of the conditional approval of the closure by the City Council.
6. Adequate queuing spaces in accordance with section 4.4.8 of the UDC shall be provided between the street right-of-way line and any proposed gate/guardhouse/card reader.
7. Adequate maneuvering room shall be provided between the right-of-way and the gate/guardhouse/card reader for vehicles to exit by forward motion.

NOW THEREFORE BE IT RESOLVED, by the Council of the City of Memphis that the above-described public right-of-way be and is hereby closed for public use, subject to the aforementioned conditions.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized to execute all Quitclaim Deed(s) to the owners of the properties abutting on the above described public right-of-way, said Deeds not to be delivered until the conditions herein stated have been met by applicant.

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to the Lawyers Title Insurance Company, the Memphis Title Company, the Chicago Title Company, the Security Title Company and the Shelby County Property Assessor's Office.

AGENDA ITEM: 10

CASE NUMBER: SAC 22-006 **L.U.C.B. MEETING:** September 8, 2022

LOCATION: Maggie H. Isabel St between Adams Ave and Jefferson Ave and the contiguous public alley west of Maggie H. Isabel St

COUNCIL DISTRICT: District 6 and Super District 8 – Positions 1, 2, and 3

OWNER/APPLICANT: Calvary Episcopal Church

REPRESENTATIVE: Tim McCaskill for The Reaves Firm

REQUEST: Vacate the public right-of-way of Maggie H. Isabel St. located between Jefferson and Adams Ave. and the unnamed contiguous public alley west of Maggie H. Isabel St.

AREA: +/-8,431 square feet

CONCLUSIONS

1. The request is for a physical street closure for a segment of Maggie H. Isabel Street located between Jefferson Avenue and Adams Avenue and the contiguous unnamed public alley.
2. The street closure request is for a total of 8,431 square feet.
3. The reason for the request is to close the rights-of-way to public thru traffic.

RECOMMENDATION

Approval with conditions

GENERAL INFORMATION

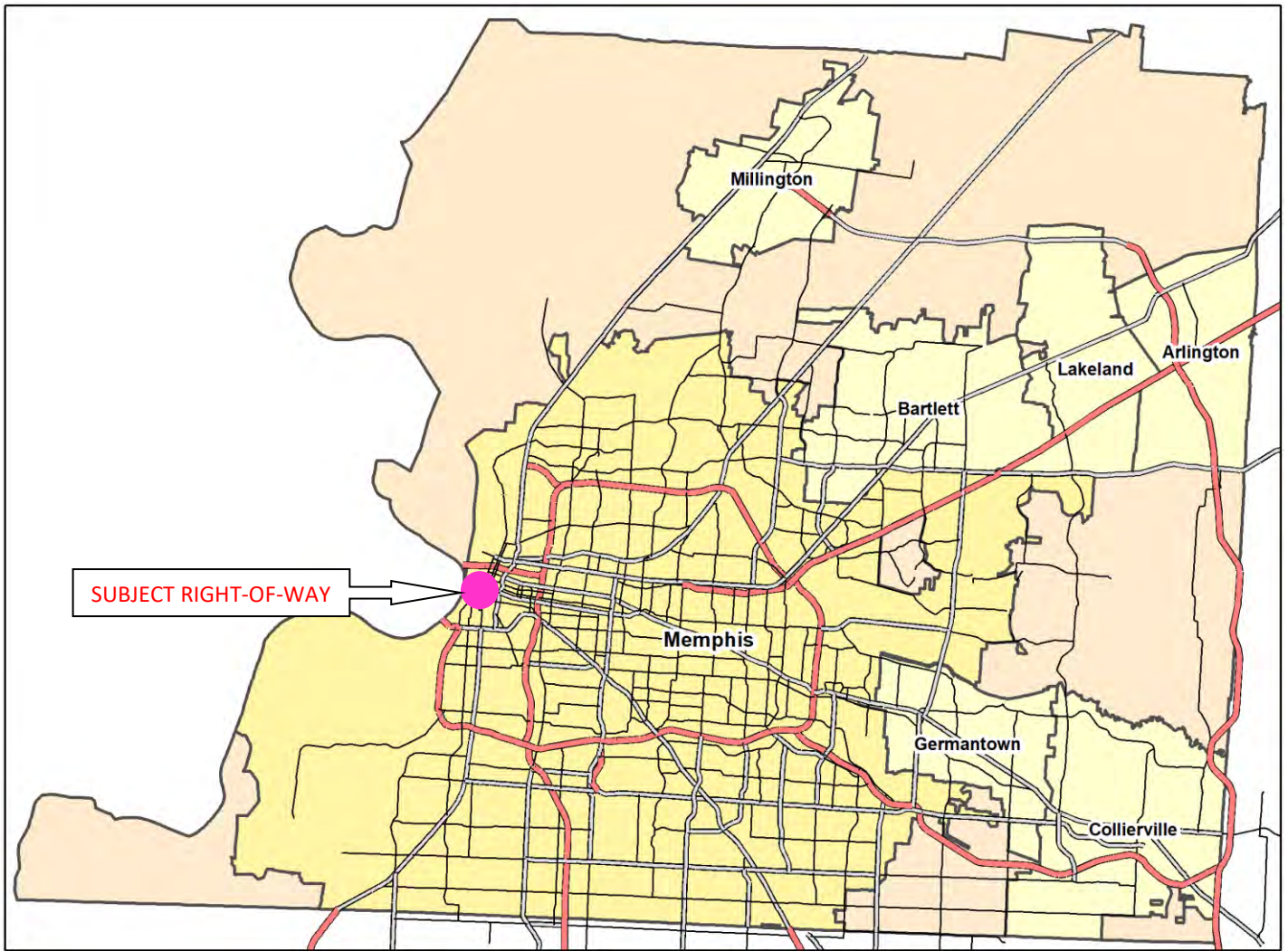
Zoning Atlas Page: 1930

Existing Zoning: Central Business District (CBD)

PUBLIC NOTICE

In accordance with Sub-Section 9.3.4A of the Unified Development Code, a notice of public hearing is required to be mailed and signs posted. A total of 88 notices were mailed on August 25, 2022, and a total of 2 signs posted on each end of the right-of-way to be closed and vacated. The sign affidavit has been added to this report.

LOCATION MAP

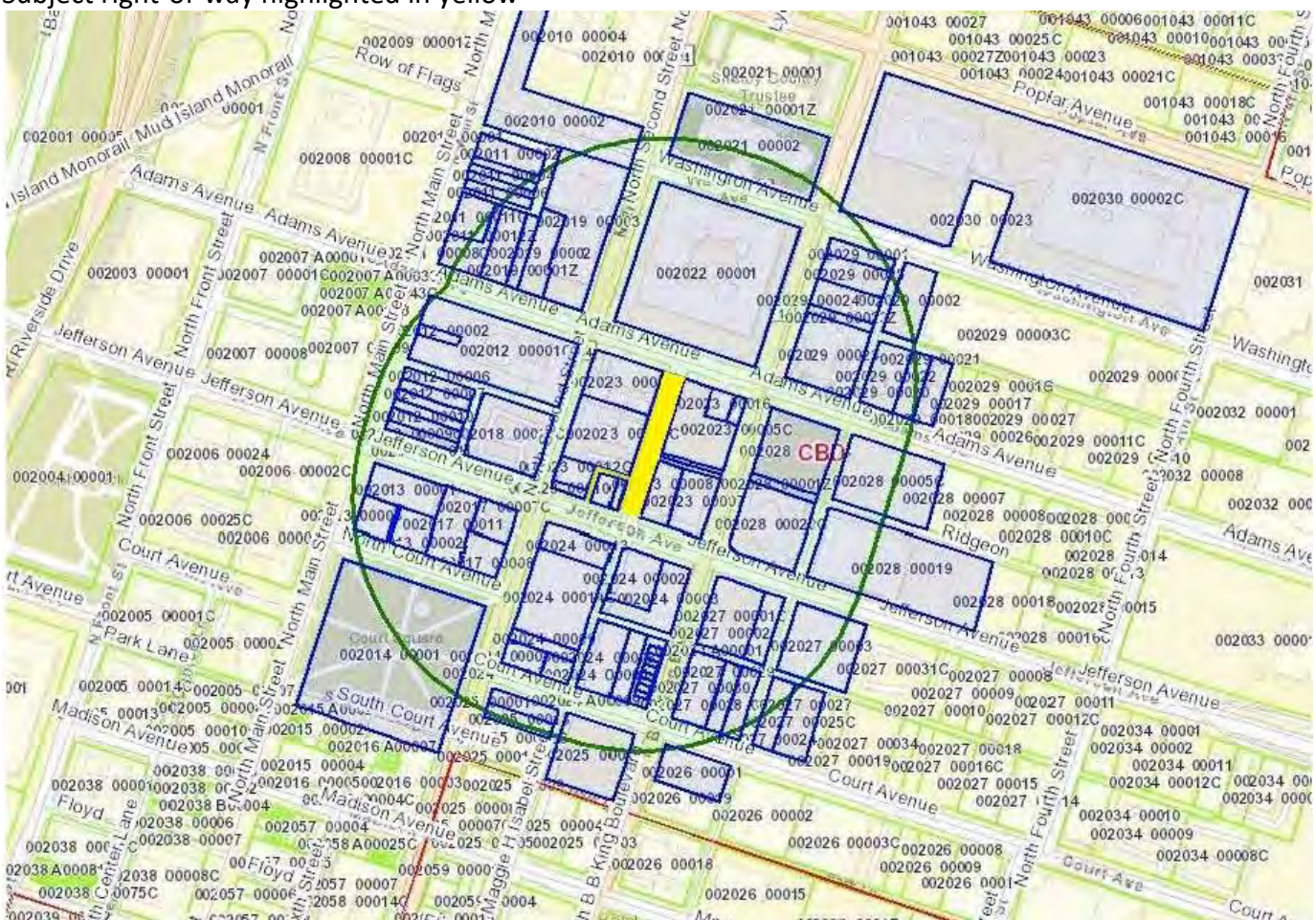


Subject right-of-way located within the pink circle, Downtown Memphis

VICINITY MAP



Subject right-of-way highlighted in yellow

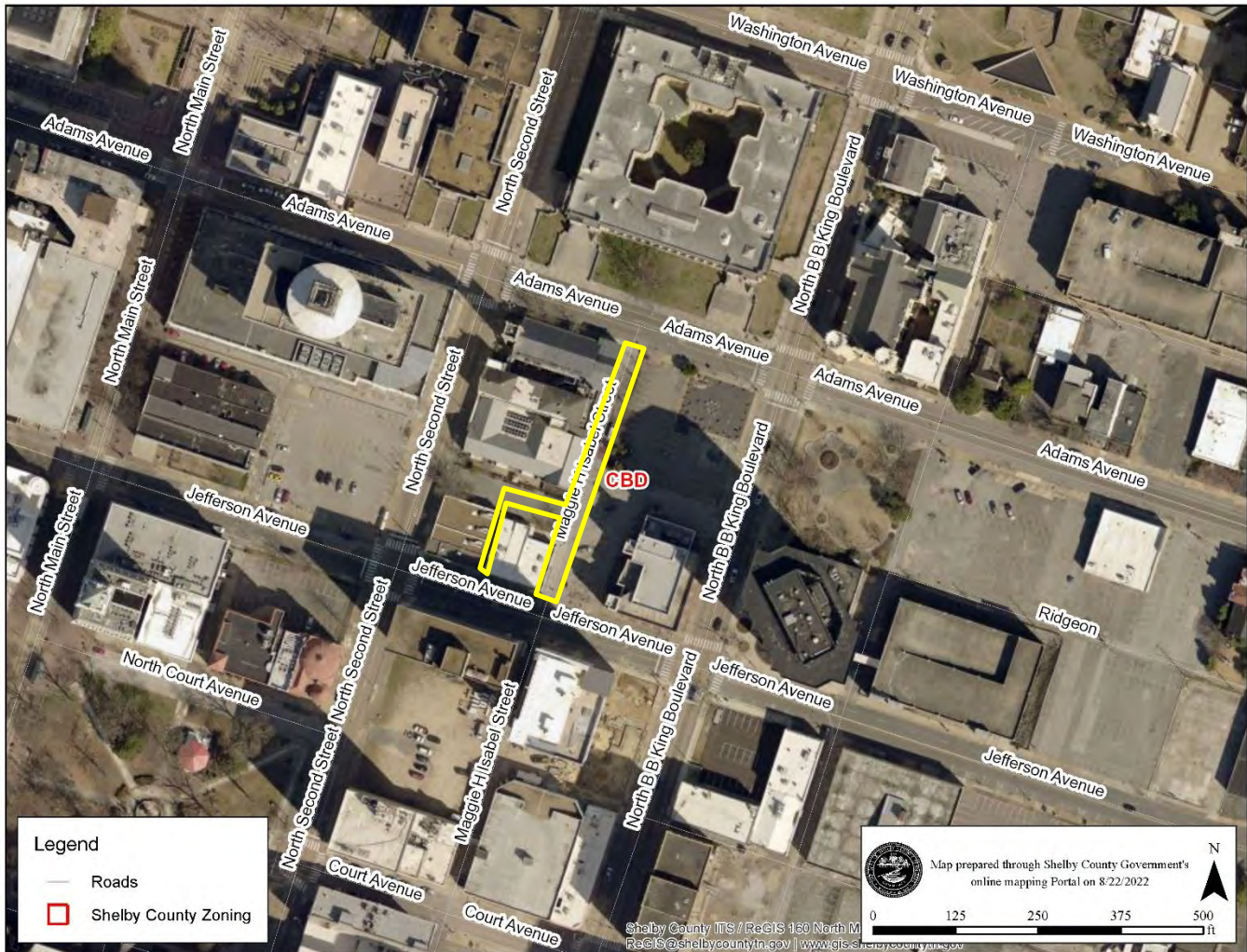


AERIAL



Subject right-of-way outlined in yellow

ZONING MAP



Subject right-of-way outlined in yellow

Existing Zoning: Central Business District (CBD)

Surrounding Zoning

North: Central Business District (CBD)

East: Central Business District (CBD)

South: Central Business District (CBD)

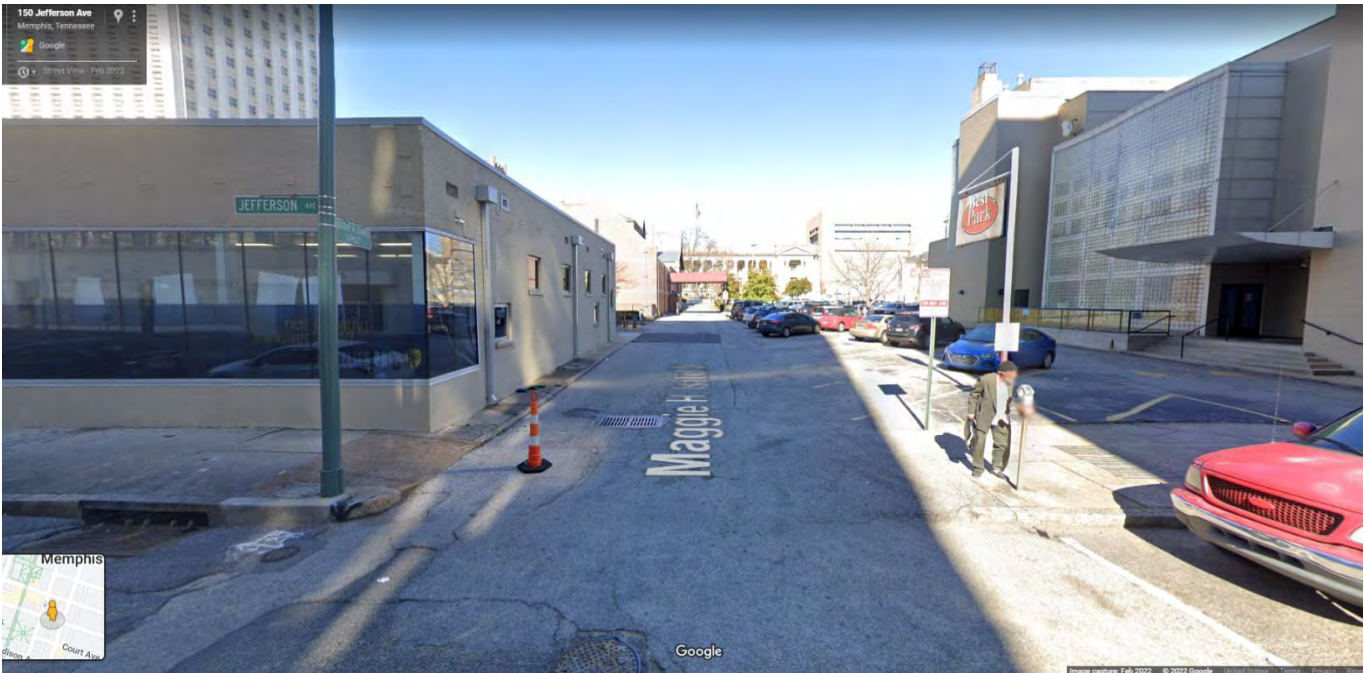
West: Central Business District (CBD)

LAND USE MAP



Subject right-of-way outlined in yellow

SITE PHOTOS



View of access point to the subject right-of-way from Jefferson Avenue looking north



View of access point to the subject right-of-way from Adams Avenue looking south



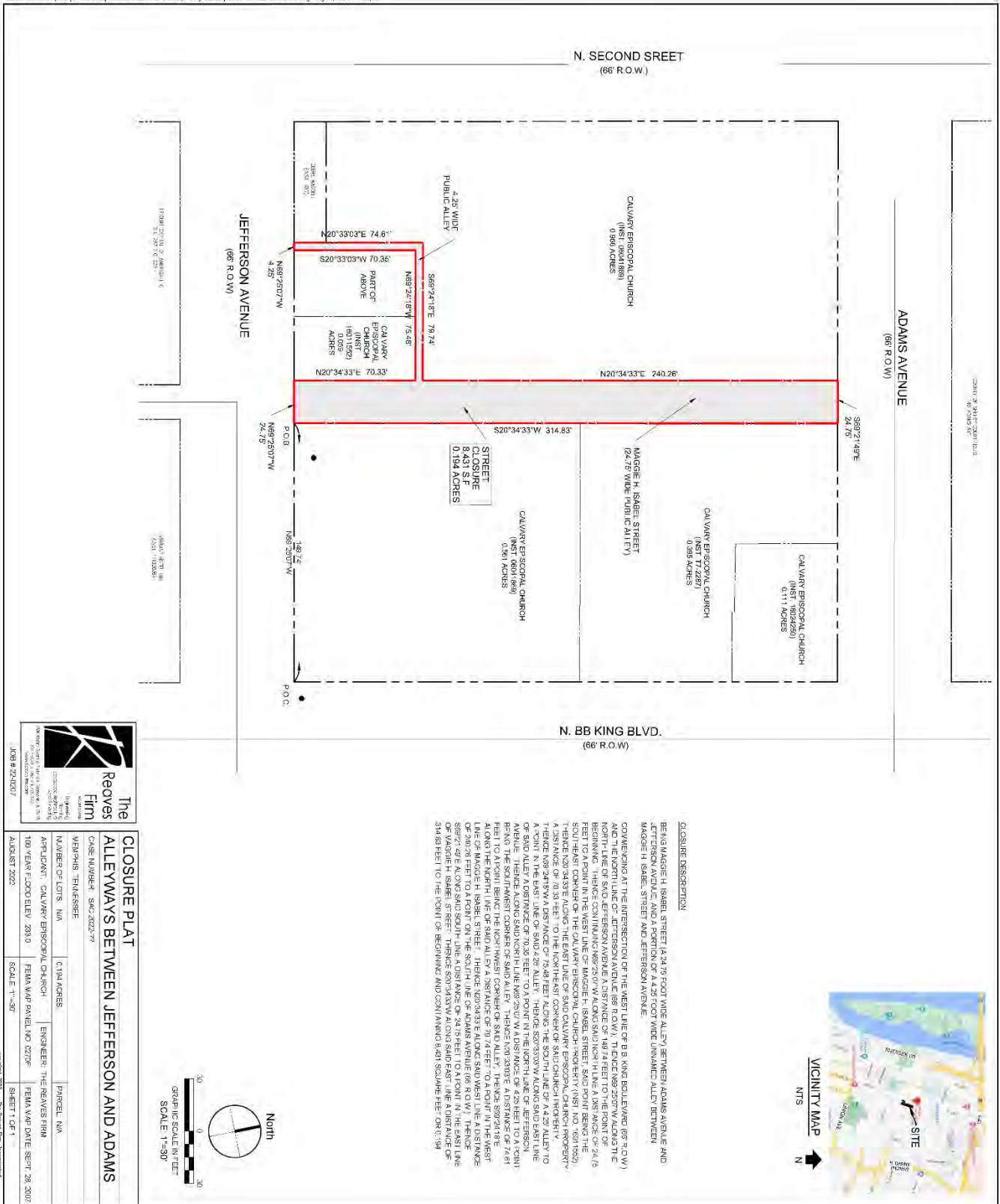
View of access point (yellow arrow) to unnamed public alley from Jefferson Avenue looking north



View of access point to unnamed public alley from Maggie H. Isabel Street looking west

RIGHT-OF-WAY VACATION PLAT

Discipline 2024 2 (10/22/22-10/27 Alley between Jefferson & Adams)01 Alley Closure(Closure Plat with Vicinity Map) Aug 04, 2022 - 2:56pm



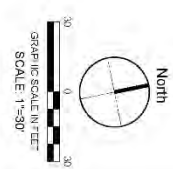
CLOSURE DESCRIPTION

BEING MAGGIE H. ISABEL STREET A 24.75 FOOT WIDE ALLEY BETWEEN ADAMS AVENUE AND JEFFERSON AVENUE, AND A PORTION OF A 4.25 FOOT WIDE UNNAMED ALLEY BETWEEN MAGGIE H. ISABEL STREET AND JEFFERSON AVENUE.

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF B. B. KING BOULEVARD (66' R.O.W.) AND THE NORTH LINE OF JEFFERSON AVENUE (66' R.O.W.), THENCE S89°25'07\"/>



CLOSURE PLAT		ALLEYS BETWEEN JEFFERSON AND ADAMS	
CASE NUMBER: SAC 2022-77	MEMBERS: TENNESSEE	DATE: AUGUST 2022	SCALE: 1"=30'
NUMBER OF LOTS: N/A	C184 ADDRESS	APPLICANT: CALVARY EPISCOPAL CHURCH	ENGINEER: THE REEVES FIRM
100-YEAR FLOOD ELEV: 233.0	PERM VAP PANEL NO: 0270F	PERM VAP DATE: SEPT 28, 2007	SHEET 1 OF 1



LEGAL DESCRIPTION

CLOSURE DESCRIPTION

BEING MAGGIE H. ISABEL STREET (A 24.75 FOOT WIDE ALLEY) BETWEEN ADAMS AVENUE AND JEFFERSON AVENUE, AND A PORTION OF A 4.25 FOOT WIDE UNNAMED ALLEY BETWEEN MAGGIE H. ISABEL STREET AND JEFFERSON AVENUE.

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF B.B. KING BOULEVARD (66' R.O.W.) AND THE NORTH LINE OF JEFFERSON AVENUE (66' R.O.W.); THENCE N69°25'07"W ALONG THE NORTH LINE OF SAID JEFFERSON AVENUE A DISTANCE OF 149.74 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING N69°25'07"W ALONG SAID NORTH LINE A DISTANCE OF 24.75 FEET TO A POINT IN THE WEST LINE OF MAGGIE H. ISABEL STREET, SAID POINT BEING THE SOUTHEAST CORNER OF THE CALVARY EPISCOPAL CHURCH PROPERTY (INST. NO. 16011552); THENCE N20°34'33"E ALONG THE EAST LINE OF SAID CALVARY EPISCOPAL CHURCH PROPERTY A DISTANCE OF 70.33 FEET TO THE NORTHEAST CORNER OF SAID CHURCH PROPERTY; THENCE N69°24'18"W A DISTANCE OF 75.48 FEET ALONG THE SOUTH LINE OF A 4.25' ALLEY TO A POINT IN THE EAST LINE OF SAID 4.25' ALLEY; THENCE S20°33'03"W ALONG SAID EAST LINE OF SAID ALLEY A DISTANCE OF 70.35 FEET TO A POINT IN THE NORTH LINE OF JEFFERSON AVENUE; THENCE ALONG SAID NORTH LINE N69°25'07"W A DISTANCE OF 4.25 FEET TO A POINT BEING THE SOUTHWEST CORNER OF SAID ALLEY; THENCE N20°33'03"E A DISTANCE OF 74.61 FEET TO A POINT BEING THE NORTHWEST CORNER OF SAID ALLEY; THENCE S69°24'18"E ALONG THE NORTH LINE OF SAID ALLEY A DISTANCE OF 79.74 FEET TO A POINT IN THE WEST LINE OF MAGGIE H. ISABEL STREET; THENCE N20°34'33"E ALONG SAID WEST LINE A DISTANCE OF 240.26 FEET TO A POINT ON THE SOUTH LINE OF ADAMS AVENUE (66' R.O.W.); THENCE S69°21'49"E ALONG SAID SOUTH LINE A DISTANCE OF 24.75 FEET TO A POINT IN THE EAST LINE OF MAGGIE H. ISABEL STREET; THENCE S20°34'33"W ALONG SAID EAST LINE A DISTANCE OF 314.83 FEET TO THE POINT OF BEGINNING AND CONTAINING 8,431 SQUARE FEET OR 0.194 ACRES MORE OR LESS.

STAFF ANALYSIS

Request and Reason

The application and letter of intent have been added to this report.

The request is for a physical street closure for a segment of Maggie H. Isabel Street located between Jefferson Avenue and Adams Avenue and the contiguous unnamed public alley. The street closure request is for a total of 8,431 square feet.

The reason for the request is the applicant desires that public thru traffic be closed between Calvary Episcopal Church property.

Site Description

The subject segment of Maggie H. Isabel Street is +/-24.75 feet wide and +/-314.83 feet long. The unnamed public alley to be vacated is 4.25 feet wide, and at its greatest length 79.74 feet long. The alley is an immediate extension to the west of Maggie H. Isabel Street. A total area of 8,431 square feet or 0.19 acres is requested for the physical street closure. The subject right-of-way is surrounded by multiple parcels, all of which except one are owned by Calvary Episcopal Church (please see Closure Plat on page 11).

Conclusions

The applicant, Calvary Episcopal Church, seeks to close and vacate the segment of Maggie H. Isabel Street that runs between Adams Avenue to the north and Jefferson Avenue to the south. The applicant also requests the closure of the unnamed alley to the immediate west of Maggie H. Isabel Street. The unnamed alley wraps around church property and continues to Jefferson Avenue. This street closure request is for a total of 8,431 square feet.

The request has been made by Calvary Episcopal Church. Church property surrounds the rights-of-way, which the church would like to close to public traffic.

Other street alley closure requests were made by Calvary Episcopal Church and approved by the Planning Commission in 1973 (case project SAC 1973-035) and in 1984 by the Land Use Control Board (case project SAC 1984-003). These requests were for rights-of-way abutting Third Alley (Maggie H. Isabel Street) to the east and west, also located between Adams and Jefferson Avenues.

The closure of the subject right-of-way would not have any undue or substantial effect upon the existing vehicular and pedestrian traffic flow of the surrounding area.

RECOMMENDATION

Staff recommends approval with conditions.

Conditions

1. Standard Subdivision Contract or Right-Of-Way Permit as required in Section 5.5.5 of the Unified Development Code.
2. Provide easements for existing sanitary sewers, drainage facilities and other utilities or relocate at

developer's expense. Note: A sanitary sewer line is located in the closure area.

3. City sanitary sewers/drainage facilities are located within the proposed closure area.
4. The applicant shall provide for the construction of curb, gutter and sidewalk across the closure as required by the City Engineer. If the City Engineer approves access, the applicant shall construct a City Standard curb cut across the closure, all to the satisfaction of the City Engineer, and at the applicant's expense. The applicant shall enter into a Standard Improvement Contract or obtain a Right of Way permit from the City Engineer to cover the above required construction work.
5. The applicant shall comply with all conditions of the closure within 3 years of the conditional approval of the closure by the City Council.
6. Adequate queuing spaces in accordance with section 4.4.8 of the UDC shall be provided between the street right-of-way line and any proposed gate/guardhouse/card reader.
7. Adequate maneuvering room shall be provided between the right-of-way and the gate/guardhouse/card reader for vehicles to exit by forward motion.

DEPARTMENTAL COMMENTS

The following comments were provided by agencies to which this application was referred:

City/County Engineer:	See comments above in “Conditions” section.
City/County Fire Division:	No comments received.
City Real Estate:	No comments received.
City/County Health Department:	No comments received.
Shelby County Schools:	No comments received.
Construction Code Enforcement:	No comments received.
Memphis Light, Gas and Water:	No comments received.
Office of Sustainability and Resilience:	No comments received.
Office of Comprehensive Planning:	No comments received.

APPLICATION



MEMPHIS AND SHELBY COUNTY

Record Summary for Street and Alley Closure (Right of Way Vacation)

Record Detail Information

Record Type: Street and Alley Closure (Right of Way Vacation)

Record Status: Assignment

Opened Date: August 3, 2022

Record Number: SAC 2022-006

Expiration Date:

Record Name: Calvary Episcopal Alley Closure

Description of Work: On behalf of Calvary Episcopal Church, we are submitting the enclosed application to the Division of Planning and Development for a physical street closure for a segment of Maggie H. Isabel St that is between Jefferson and Adams Ave and an unnamed dog leg alley that is contiguous for a total of 8,430 SF street closure. Included in this closure is 140 Jefferson Ave that was part of the estate of William N. Small.

Parent Record Number:

Contact Information

Name	Organization Name	Contact Type	Phone
Steve Smith	Calvary Episcopal Church	Applicant	(901) 312-5205
Suffix:			
Address			

Christine Donhardt	Architect / Engineer / Surveyor	(901) 761-2016
Address		
6800 Poplar Ave		

Tim McCaskill	Representative	(901) 761-2016
Address		

Steve Smith	Calvary Episcopal Church	Adjacent Property Owner of Record	(901) 312-5205
Address			

Fee Information

Invoice #	Fee Item	Quantity	Fees	Status	Balance	Date Assessed	Unit	Fee Code
1403617	Right of Way Vacation/Closure Fee	1	400.00	INVOICED	0.00	08/04/2022		PLNGSTCLO S01
1403617	Credit Card Use Fee (.026 x fee)	1	10.40	INVOICED	0.00	08/04/2022		PLNGSTCLO S05
Total Fee Invoiced: \$410.40						Total Balance: \$0.00		

Payment Information

Payment Amount	Method of Payment
\$410.40	Credit Card

Data Fields

PREAPPLICATION MEETING
Name of DPD Planner Lucas Skinner

LETTER OF INTENT

Date of Meeting 08/03/2022

GENERAL INFORMATION

Name of Street where closure will begin	Adams
Name of Street where closure will end	Jefferson
What is the reason for the street closure?	Close to thru traffic between the church property.
What is the total area of the right-of-way being closed?	8430
What is the overall length of the street closure?	314
Name of Street/Alley/ROW	Maggie H Isabel & Unnamed
Is this application in response to a citation from Construction Code Enforcement or Zoning Letter?	No
If yes, please provide additional information	-
Is this application a time extension?	No

RELATED CASE INFORMATION

Previous Case Numbers -

GIS INFORMATION

Case Layer	-
Central Business Improvement District	No
Class	-
Downtown Fire District	No
Historic District	-
Land Use	-
Municipality	-
Overlay/Special Purpose District	-
Zoning	-
State Route	-
Lot	-
Subdivision	-
Planned Development District	-
Wellhead Protection Overlay District	-



Property Owner's Affidavit

Memphis and Shelby County Unified Development Code Section 12.3.1

OWNER: Includes the holder of legal title as well as holders of any equitable interest, such as trust beneficiaries, contract purchasers, option holders, lessees under leases having an unexpired term of at least ten years, and the like. Whenever a statement of ownership is required by the Memphis and Shelby County Unified Development Code, full disclosure of all legal and equitable interest in the property is required. Memphis and Shelby County Unified Development Code Section 12.3.1.

I, Scott Walters, Rector Scott Walters, state that I have read the definition of
(Print Name) (Sign Name)

"Owner" as outlined in the Memphis and Shelby County Unified Development Code Section 12.3.1 and hereby state that (select applicable box):

- I am the owner of record as shown on the current tax rolls of the county Assessor of Property; the mortgage holder of record as shown in the mortgage records of the county Register of Deeds; purchaser under a land contract; a mortgagee or vendee in possession; or I have a freehold or lesser estate in the premises
- I have charge, care or control of the premises as trustee, agent, executor, administrator, assignee, receiver, guardian or lessee (and have included documentation with this affidavit)

CALVARY EPISCOPAL CHURCH 102 N SECOND ST
of the property located at (Bounded by the block of Adams, 2nd, BBKing, and Jefferson) except for parcel at 140 JEFFERSON AVE
and further identified by Assessor's Parcel Number 002023 00001, 5C, 8, 9, 10, 11, 15C, 12C, 8Z, 2Z,
for which an application is being made to the Division of Planning and Development.

Subscribed and sworn to (or affirmed) before me this 27th day of August in the year of 2022.

[Signature]
Signature of Notary Public



7-1-2023
My Commission Expires



August 4, 2022

Mr. Brett Ragsdale
Zoning Administrator
Division of Planning and Development
125 N. Main, Ste. 477
Memphis, TN 38103

**RE: Alley Closure
Between Jefferson and Adams Ave.**

Dear Mr. Ragsdale:

On behalf of Calvary Episcopal Church, we are submitting the enclosed application to the Division of Planning and Development for a physical street closure for a segment of Maggie H. Isabel St that is between Jefferson and Adams Ave and an unnamed dog leg alley that is contiguous for a total of 8,430 SF street closure. Included in this closure is 140 Jefferson Ave that was part of the estate of William N. Small.

Professional consultants include Tim McCaskill with The Reaves Firm.

Your consideration of this application is greatly appreciated.

Sincerely,



Tim McCaskill

SIGN AFFIDAVIT

AFFIDAVIT

Shelby County
State of Tennessee

I, Tim McCaskill, being duly sworn, depose and say that at 10:30 am pm on the 25th day of August, 2022, I posted 2 Public Notice Sign(s) pertaining to Case No. SAC 22-06 at 1) Jefferson & Maggie H Isabel 2) Adams & Maggie H Isabel, providing notice of a Public Hearing before the Land Use Control Board, Memphis City Council, Shelby County Board of Commissioners for consideration of a proposed Land Use Action (Planned Development, Special Use Permit, Zoning District Map Amendment, Street and/or Alley Closure), a photograph of said sign(s) being attached hereon and a copy of the sign purchase receipt or rental contract attached hereto.

J. Mohr
Owner, Applicant or Representative

8-25-22
Date

Subscribed and sworn to before me this 25th day of August, 2022.

Mia Mohr
Notary Public



My commission expires: 11-9-2025

22-06 - Right of Way Vacation



Jefferson @ Maggie H. Isabel



Adams @ Maggie H. Isabel



PUBLIC NOTICE

**AN APPLICATION HAS
BEEN FILED FOR A**

**RIGHT-OF-WAY
VACATION**

ON THIS PROPERTY.

**A PUBLIC HEARING
WILL BE HELD.**

CASE NO: SAC 2022-06

INFORMATION: 636-6619

DEFACING, TAMPERING WITH OR REMOVAL OF THIS SIGN BY ANYONE OTHER THAN THE PROPERTY OWNER OR HIS AGENT IS PROHIBITED BY CITY OF MEMPHIS & SHELBY COUNTY ORDINANCES

LETTERS RECEIVED

No letters received at the time of completion of this report.



MEMPHIS AND SHELBY COUNTY

Record Summary for Street and Alley Closure (Right of Way Vacation)

Record Detail Information

Record Type: Street and Alley Closure (Right of Way Vacation)

Record Status: Assignment

Opened Date: August 3, 2022

Record Number: SAC 2022-006

Expiration Date:

Record Name: Calvary Episcopal Alley Closure

Description of Work: On behalf of Calvary Episcopal Church, we are submitting the enclosed application to the Division of Planning and Development for a physical street closure for a segment of Maggie H. Isabel St that is between Jefferson and Adams Ave and an unnamed dog leg alley that is contiguous for a total of 8,430 SF street closure. Included in this closure is 140 Jefferson Ave that was part of the estate of William N. Small.

Parent Record Number:

Contact Information

Name: Steve Smith Organization Name: Calvary Episcopal Church Contact Type: Applicant Phone: (901) 312-5205

Suffix:
Address

Christine Donhardt Architect / Engineer / Surveyor (901) 761-2016

Address
6800 Poplar Ave

Tim McCaskill Representative (901) 761-2016

Address

Steve Smith Calvary Episcopal Church Adjacent Property Owner of Record (901) 312-5205

Address

Fee Information

Invoice #	Fee Item	Quantity	Fees	Status	Balance	Date Assessed	Unit	Fee Code
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1403617	Credit Card Use Fee (.026 x fee)	1	10.40	INVOICED	0.00	08/04/2022		PLNGSTCLO S05

Total Fee Invoiced: \$410.40 Total Balance: \$0.00

Payment Information

Payment Amount: \$410.40 Method of Payment: Credit Card

Data Fields

PREAPPLICATION MEETING

Name of DPD Planner: Lucas Skinner

Date of Meeting 08/03/2022

GENERAL INFORMATION

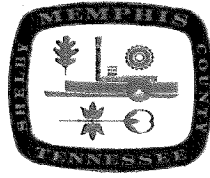
Name of Street where closure will begin	Adams
Name of Street where closure will end	Jefferson
What is the reason for the street closure?	Close to thru traffic between the church property.
What is the total area of the right-of-way being closed?	8430
What is the overall length of the street closure?	314
Name of Street/Alley/ROW	Maggie H Isabel & Unnamed
Is this application in response to a citation from Construction Code Enforcement or Zoning Letter?	No
If yes, please provide additional information	-
Is this application a time extension?	No

RELATED CASE INFORMATION

Previous Case Numbers	-
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GIS INFORMATION

Case Layer	-
Central Business Improvement District	No
Class	-
Downtown Fire District	No
Historic District	-
Land Use	-
Municipality	-
Overlay/Special Purpose District	-
Zoning	-
State Route	-
Lot	-
Subdivision	-
Planned Development District	-
Wellhead Protection Overlay District	-



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

This is a resolution to transfer and appropriate \$275,000.00 from Contract Construction to Architecture and Engineering, Award #11143, in Medical Center Streetscape, project number EN01026.

SAME NIGHT MINUTES REQUESTED

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

This project is being initiated by the Division of Engineering.

3. State whether this is a change to an existing ordinance or resolution, if applicable.

This project does not involve a change to an existing ordinance or resolution.

4. State whether this will impact specific council districts or super districts.

Capital improvements in Districts 6, 7 and Super District 8.

5. State whether this requires a new contract, or amends an existing contract, if applicable.

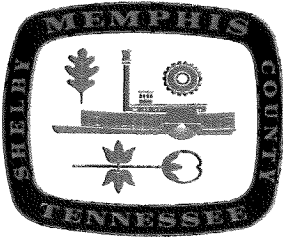
N/A

6. State whether this requires an expenditure of funds/requires a budget amendment

NA

7. If applicable, please list the MWBE goal and any additional information needed

This is a TDOT grant and will follow the agency's DBE procedures. A MWBE goal was established at 8% in accordance with TDOT's program.



This is a resolution to transfer and appropriate funds to Architecture and Engineering costs for Medical Center Streetscape, Project Number EN01026

WHEREAS, the Council of the City of Memphis approved Medical Center Streetscape, project number EN01026, as part of the carryforward funds of the Capital Improvement Budget; and

WHEREAS, \$275,000.00 is needed for Architecture and Engineering costs; and

WHEREAS, it is necessary to amend the Fiscal Year 2023 Capital Improvement Budget by transferring and appropriating an allocation of \$275,000.00 from Contract Construction to Architecture and Engineering, for Construction Engineering and Inspection (CEI) and other engineering costs; and

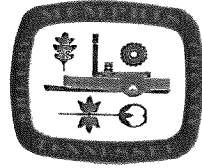
WHEREAS, it is necessary to appropriate \$275,000.00 funded by Federal Grant funds from the State of Tennessee Department of Transportation for said Architecture and Engineering costs;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the Fiscal Year 2023 Capital Improvement Budget be and is hereby amended by transferring an allocation and appropriating the amount of \$275,000, funded by Federal Grant funds by the State of Tennessee Department of Transportation, from Contract Construction to Architecture and Engineering, for Construction Engineering and Inspection (CEI) and other engineering costs, for Medical Center Streetscape, project number EN01026.

Project Title: Medical Center Streetscape

Project Number: EN01026, Award 11143

Total Amount: \$275,000



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

Resolution providing grant funds from the City of Memphis Public Works Division to the Clean Memphis; funding in the amount of \$75,000.00 for clean water initiatives to be performed in various City of Memphis drainage basins.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

Public Works

3. State whether this is a change to an existing ordinance or resolution, if applicable.

This is a new resolution.

4. State whether this will impact specific council districts or super districts.

N/A

5. State whether this requires a new contract, or amends an existing contract, if applicable.

Requires new contract.

6. State whether this requires an expenditure of funds/requires a budget amendment

This requires a budget amendment to allow for the disbursement of grant funds.

7. If applicable, please list the MWBE goal and any additional information needed

N/A

Resolution providing grant funds from the City of Memphis Public Works Division to the Clean Memphis; funding in the amount of \$75,000.00 for clean water initiatives to be performed in various City of Memphis drainage basins.

WHEREAS, it is vital to the growth and development of the City of Memphis (“City”) that debris, waste, and other contaminants that affect storm water quality be removed in compliance with the City’s Storm Water National Pollutant Discharge Elimination System (“NPDES”) Permit;

WHEREAS, the City of Memphis is committed to storm water quality and in accordance with its Storm Water NPDES Permit, has an obligation to reduce pollutants and waste from negatively impacting streams and other such natural resources within the City of Memphis limits;

WHEREAS, Clean Memphis, a grassroots 501 (c) (3) organization founded in 2008 by a group of concerned citizens with the belief that a cleaner City reduces crime, promotes a sense of pride in community, and cultivates economic prosperity, receives funding from private donations and Shelby County to address litter in high profile areas of the city of Memphis and educate the public on the benefits of a cleaner community;

WHEREAS, Clean Memphis has proposed to share the cost to maintain a clean water initiative for various drainage basins with the City of Memphis to remove waste and debris that would otherwise enter the storm water system thus, negatively impacting a valuable natural resource;

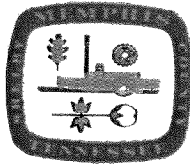
WHEREAS, the City of Memphis Storm Water Program will make available Seventy-five Thousand Dollars (\$75,000) to Clean Memphis on an annual basis for a period of three (3) years to assist in funding such initiative;

WHEREAS, Clean Memphis will further utilize these funds to perform public outreach and educate children on the impact pollution has to watersheds and the environment;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Memphis hereby authorizes the City of Memphis Storm Water Program to provide Clean Memphis funding in the amount of \$75,000 for a period of three (3) years, subject to the availability of funding;

BE IT FURTHER RESOLVED that, such funding shall be provided from the Stormwater Program Operating Budget in effect at the time funding is to be made available and that such funding shall be used solely for the purpose of funding storm water quality initiatives; specifically, remediation work to be performed in various City of Memphis drainage basins.

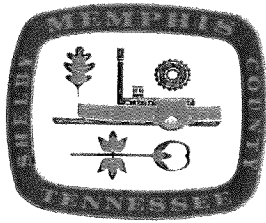
BE IT FURTHER RESOLVED that, in the event Clean Memphis fails to use the funding for stormwater quality initiatives as authorized by City, such funding shall be returned to the City Of Memphis.



Memphis City Council Summary Sheet

- 1. Description of the Item (Resolution, Ordinance, etc.)**
A resolution amending and appropriating the sum of \$651,982.67 chargeable to the FY2023 Budget by appropriating funds to the Division of Housing and Community Development Affordable Housing Program accounts.
- 2. Initiating Party (e.g. Public Works, at request of City Council, etc.)**
The Division of Housing and Community Development
- 3. State whether this is a change to an existing ordinance or resolution, if applicable.**
Not applicable.
- 4. State whether this will impact specific council districts or super districts.**
Citywide
- 5. State whether this requires a new contract, or amends an existing contract, if applicable.**
New contracts and contract amendments will be required.
- 6. State whether this requires an expenditure of funds/requires a budget amendment.**
Expenditure of funds will be required.
- 7. If applicable, please list the MWBE goal and any additional information needed.**
Not applicable to MWBE.

Division of Housing and Community Development-Resolution



A resolution amending and appropriating the sum of \$651,982.67 chargeable to the FY2023 Budget by appropriating funds to the Division of Housing and Community Development Affordable Housing Program account.

WHEREAS, the Division of Housing and Community Development continues in its efforts to assist in the development of affordable housing options within the City of Memphis; and

WHEREAS, the Council of the City of Memphis has declared by resolution dated May 7, 2002, that the Health Educational and Housing Facility Board of the City of Memphis, Tennessee to be performing a public function on behalf of and as a public instrumentality of the City, and recognizes that all property owned by it is exempt from all taxation in the State of Tennessee; and

WHEREAS, the Council of the City of Memphis also delegated to the Health Educational and Housing Facility Board of the City of Memphis, Tennessee by resolution dated May 7, 2002, the authority to negotiate and enter into with a lessee of the Board, payments in lieu of ad valorem taxes, provided that such authorization shall be granted only upon a finding that such payments are deemed to be in furtherance of the public purpose of the Board; and

WHEREAS, the Division of Housing and Community Development has received PILOT proceeds from the Health Educational and Housing Facility Board of the City of Memphis, Tennessee in the amount of SIX HUNDRED FIFTY-ONE THOUSAND, NINE HUNDRED EIGHTY-TWO DOLLARS AND 67/100 (\$651,982.67); and

WHEREAS, the Division of Housing and Community Development also desires to enter into a contractual agreement to grant SIX HUNDRED FIFTY-ONE THOUSAND, NINE HUNDRED EIGHTY-TWO DOLLARS AND 67/100 (\$651,982.67) of the PILOT proceeds to the Affordable Housing Program; and

Division of Housing and Community Development-Resolution

WHEREAS, it is necessary to amend the Fiscal Year 2023 Budget by appropriating SIX HUNDRED FIFTY-ONE THOUSAND, NINE HUNDRED EIGHTY-TWO DOLLARS AND 67/100 (\$651,982.67) in revenues for the Affordable Housing Program.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the Division of Housing and Community Development be authorized to enter into a contractual agreement to provide a grant in the amount of SIX HUNDRED FIFTY-ONE THOUSAND, NINE HUNDRED EIGHTY-TWO DOLLARS AND 67/100 (\$651,982.67) to be set aside to the Division of Housing and Community Development Affordable Housing.

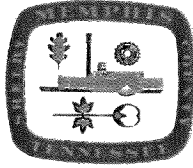
BE IT FURTHER RESOLVED that there be and is hereby appropriated the sum of SIX HUNDRED FIFTY-ONE THOUSAND, NINE HUNDRED EIGHTY-TWO DOLLARS AND 67/100 (\$651,982.67), chargeable to and amending the FY2023 Budget by appropriating funds for the HCD's Affordable Housing Programs as follows:

REVENUE:

CD90043	Award 12106 HEHFB	\$651,982.67
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EXPENSE:

CD90043	Award 12106 Professional Svcs	\$651,982.67
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Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

Resolution to accept and appropriate FY2023 funding for the City of Memphis Weatherization Assistance Program (WAP) Grant in the amount of NINE HUNDRED TWENTY-THREE THOUSAND, TWO HUNDRED FIFTY-EIGHT DOLLARS 00/100 (\$923,258.00).

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

The Division of Housing and Community Development

3. State whether this is a change to an existing ordinance or resolution, if applicable.

Not applicable.

4. State whether this will impact specific council districts or super districts.

Various council districts or super districts may be impacted.

5. State whether this requires a new contract, or amends an existing contract, if applicable.

New contracts will be required.

6. State whether this requires an expenditure of funds/requires a budget amendment.

Expenditure of funds will be required.

7. If applicable, please list the MWBE goal and any additional information needed.

Not applicable

Resolution-Division of Housing and Community Development



*A resolution to accept and appropriate FY2023 funding for the City of Memphis Weatherization Assistance Program (WAP) Grant in the amount of **NINE HUNDRED TWENTY-THREE THOUSAND, TWO HUNDRED FIFTY-EIGHT DOLLARS 00/100 (\$923,258.00)** to the FY2023 Housing and Community Development's federal budget.*

WHEREAS, Tennessee was classified as one of four states with the highest energy burden for its residents in the ACEEE September 2020, "*National and Regional Energy Burdens Report*", which indicates the need for programs to reduce utility burden and improve housing stock by making it more energy efficient for the citizens of Memphis.

WHEREAS, this program is designed to assist low-income households in reducing their energy costs and to contribute to national energy conservation through increase in energy efficiency and consumer education and home retrofits.

WHEREAS, weatherization measures provided by this program will reduce heat loss, cool air loss, energy consumption, and lower energy costs by improving the thermal envelope of dwelling units occupied by low-income property owners and renters throughout Shelby County.

WHEREAS, the City of Memphis Division of Housing and Community Development (HCD) has received FY: 2023 Weatherization Assistance Program *Funds (WAP 22-01)* in the total amount of **NINE HUNDRED TWENTY-THREE THOUSAND, TWO HUNDRED FIFTY EIGHT DOLLARS 00/100 (\$923,258.00)** from the United States, Department of Energy; and passed through the State of Tennessee, Tennessee Housing Development Agency (THDA);

WHEREAS, HCD received these funds through a non-competitive grant process; and

WHEREAS, these funds will be used by HCD to administer the weatherization assistance and the low income home energy assistance program activities throughout Shelby County and carry out all fiscal responsibilities in accordance with THDA WAP and LIHEAP policies and procedures; the Tennessee Weatherization Field Guide and subsequent technical guidance; all applicable federal regulations, all applicable Office of Management and Budget (OMB) circulars; and all Tennessee Housing Development Agency's program and fiscal policies to educate clients, train staff and contractors; and to help reduce the utility burden with energy efficiency mechanisms and address health and safety in residential units.

Resolution-Division of Housing and Community Development

WHEREAS, it is necessary to accept the grant funding and amend HCD's FY2023 Federal Budget to establish funds for the FY2023 Weatherization Assistance Program funding (WAP 22-01).

WHEREAS, this *(WAP 22-01)* is a contract to the Tennessee Housing Development Agency grant for the provision of funding under Weatherization Assistance Program (WAP), and the **City of Memphis Division of Housing and Community Development** is the recipient of a **FY2023 Weatherization Assistance Program Weatherization (WAP 22-01)** grant in the amount of ***NINE HUNDRED TWENTY-THREE THOUSAND, TWO HUNDRED FIFTY EIGHT DOLLARS 00/100 (\$923,258.00)***.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the FY2023 Weatherization Assistance Funds *in the amount of NINE HUNDRED TWENTY-THREE THOUSAND TWO HUNDRED FIFTY-EIGHT DOLLARS 00/100 (\$923,258.00)* be accepted by the City of Memphis.

BE IT FURTHER RESOLVED, that HCD's Fiscal Year 2023 Federal Budget be and is hereby amended by appropriating the Expenditures and Revenues for the **FY2023 Weatherization Assistance Program Weatherization (WAP 22-01)** in the total amount of ***NINE HUNDRED TWENTY-THREE THOUSAND, TWO HUNDRED FIFTY-EIGHT DOLLARS 00/100 (\$923,258.00)*** as follows:

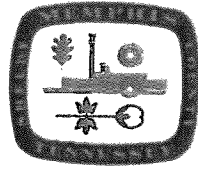
REVENUES

State of Tennessee, Tennessee Housing & Development Agency \$923,258.00

EXPENDITURES

Weatherization Assistance Program Grant \$923,258.00

\$923,258.00



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

A resolution to accept the appropriation and allocation of the FY2021 HUD Healthy Homes and Weatherization Cooperation Demonstration grant for the collaboration between the Green & Healthy Homes Initiative Memphis Office, the City of Memphis Lead Program and the City of Memphis Weatherization Assistance Program in the total amount of Two Hundred Thirty-Four Thousand, Six Hundred Seven Dollars and 50/100 (\$234,607.50) over a 3-year period.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

The Division of Housing and Community Development's Weatherization and Lead Programs.

3. State whether this is a change to an existing ordinance or resolution, if applicable.

Not applicable.

4. State whether this will impact specific council districts or super districts.

Citywide

5. State whether this requires a new contract, or amends an existing contract, if applicable.

New contracts and contract amendments will be required.

6. State whether this requires an expenditure of funds/requires a budget amendment.

Expenditure of funds will be required.

7. If applicable, please list the MWBE goal and any additional information needed.

Not applicable to MWBE.

Resolution-Division of Housing and Community Development



*A resolution to accept the appropriation and allocation of the FY2021 HUD Healthy Homes and Weatherization Cooperation Demonstration grant for the collaboration between the Green & Healthy Homes Initiative Memphis Office, the City of Memphis Lead Program and the City of Memphis Weatherization Assistance Program in the total amount of **Two Hundred Thirty-Four Thousand, Six Hundred Seven Dollars and 50/100 (\$234,607.50)** over a 3-year period.*

WHEREAS, HUD the City of Memphis^{GA} selected Memphis as 1 of 5 communities that provide housing interventions in lower-income households that are conducted jointly through the coordination of HUD's Office of Lead Hazard Control and Healthy Homes (OLHCHH)-funded Lead Hazard Reduction Healthy Homes programs (LHR/HH) and programs funded by the U.S. Department of Energy's (DOE) Weatherization Assistance Program (WAP) to determine whether this coordinated delivery of services achieves cost-effectiveness and better outcomes in improving the safety and energy efficiency of homes. The coordinated assessments and interventions are expected to provide additional benefits to households through the combined mitigation of health and safety hazards and improvements in energy efficiency and comfort. These grants are intended to facilitate the leveraging of assets from both programs and support the exploration of different models of service delivery (e.g., recruitment strategies, partnerships). HUD-funded programs identify and mitigate lead-based paint and other key residential health and safety hazards such as mold and moisture, pest infestation, poor indoor air quality, radon, and injury hazards. The DOE-funded programs conduct energy audits and implement energy conservation measures, while also conducting interventions to improve health and safety (e.g., improved ventilation, installing carbon monoxide and smoke detectors);

Resolution-Division of Housing and Community Development

WHEREAS, this program is designed to demonstrate effective strategies for coordination between Homes (LHR/HH) and Weatherization programs that maximize program efficiencies and benefits to occupants;

WHEREAS, this program is also designed to reduce Weatherization Assistance Program (WAP) deferrals through coordination with Lead Hazard Reduction Healthy Homes programs;

WHEREAS, this program is also designed to demonstrate sustainable models of inter-program cooperation, including data sharing, reporting, and targeting/recruiting clients;

WHEREAS, this program is also designed to demonstrate effective models for the sustainable financing of coordinated healthy homes/weatherization interventions;

WHEREAS, this program is also designed to support the collection of data to evaluate the housing interventions conducted through inter-program coordination (e.g., program cost efficiencies that can be achieved, improvements in indoor environmental quality, improved health outcomes, additional safety benefits to households);

WHEREAS, the City of Memphis Division of Housing and Community Development (HCD) has received funding for staff salaries and benefits for the FY 2021 Healthy Homes and Weatherization Cooperation and Demonstration grant funds in the amount of ***Two Hundred Thirty-Four Thousand, Six Hundred Seven Dollars and 50/100 (\$234,607.50) over a 3-year period*** from the United States, Department of Housing and Urban Development's Office of Lead Hazard Control and Healthy Homes; and passed through Green & Healthy Homes Initiative (GHHI) of Memphis, Tennessee;

WHEREAS, HCD received these funds in partnership with GHHI through a competitive grant process;

Resolution-Division of Housing and Community Development

WHEREAS, these funds will be used for a period of 3 years by HCD to provide salaries and benefits to weatherization staff working on the Healthy Homes and Weatherization Demonstration Collaboration to administer the weatherization assistance, lead hazard reduction, and the low income home energy assistance program activities throughout Shelby County and carry out all fiscal responsibilities in accordance with THDA WAP policies and procedures; the Tennessee Weatherization Field Guide and subsequent technical guidance; all applicable federal regulations, all applicable Office of Management and Budget (OMB) circulars; and all Tennessee Housing Development Agency’s program and fiscal policies to educate, train and to help reduce utility burden with energy efficiency mechanisms and address health and safety in residential units; and

WHEREAS, it is necessary to accept the grant funding for Fiscal Year’s 2023-2026 Operating Budget to establish funds for the Healthy Homes and Weatherization Demonstration Collaboration;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the FY 2023-2026 Operating Budget includes *Two Hundred Thirty-Four Thousand, Six Hundred Seven Dollars and 50/100 (\$234,607.50)* be accepted by the City of Memphis Council.

BE IT FURTHER RESOLVED, that Fiscal Year’s 2023-2026 Operating Budget includes by appropriating the Expenditures and Revenues for the *FY 2021 HUD Healthy Homes and Weatherization Cooperation Demonstration grant* in the total amount of *Two Hundred Thirty-Four Thousand, Six Hundred Seven Dollars and 50/100 (\$234,607.50)* as follows:

REVENUES

Green & Healthy Homes Initiative, Memphis **\$234,607.50**

EXPENDITURES

Weatherization Assistance Program Grant **\$234,607.50**

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
THE CITY OF MEMPHIS DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT
AND GREEN & HEALTHY HOMES INITIATIVE, INC.**

3rd

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into on the ____ day of ^{January} 2022 by and between Green & Healthy Home Initiatives, Inc. (GHHI) with principal offices at 2714 Hudson Street, Baltimore, Maryland and (“CITY”) the City of Memphis through the Division of Housing and Community Development, with principal offices at 125 North Main Street, Memphis, Tennessee 38103

RECITALS

WHEREAS, Section 12-9-101 through 12-9-109, *Tennessee Code Annotated*, authorizes public agencies of the State of Tennessee to enter into inter-local agreements; and

WHEREAS, HUD selected Memphis as 1 of 5 communities that provide housing interventions in lower-income households that are conducted jointly through the coordination of HUD’s Office of Lead Hazard Control and Healthy Homes (OLHCHH)-funded Lead Hazard Reduction Healthy Homes programs (LHR/HH) and programs funded by the U.S. Department of Energy’s (DOE) Weatherization Assistance Program (WAP) to determine whether this coordinated delivery of services achieves cost-effectiveness and better outcomes in improving the safety and energy efficiency of homes. The coordinated assessments and interventions are expected to provide additional benefits to households through the combined mitigation of health and safety hazards and improvements in energy efficiency and comfort. These grants are intended to facilitate the leveraging of assets from both programs and support the exploration of different models of service delivery (e.g., recruitment strategies, partnerships). HUD-funded programs identify and mitigate lead-based paint and other key residential health and safety hazards such as mold and moisture, pest infestation, poor indoor air quality, radon, and injury hazards. The DOE-funded programs conduct energy audits and implement energy conservation measures, while also conducting interventions to improve health and safety (e.g., improved ventilation, installing carbon monoxide and smoke detectors).

WHEREAS, GHHI has been awarded a 3-year grant in the sum of \$1,000,000.00 from HUD’s Office of Lead Hazard Control and Healthy Homes in partnership with the City of Memphis Lead Hazard Reduction Department and the City of Memphis Weatherization Assistance Program;

WHEREAS, the CITY is implementing HUD programs to identify and mitigate lead-based paint and other key residential health and safety hazards such as mold and moisture, pest infestation, poor indoor air quality, radon, and injury hazards; and the CITY is also implementing Department of Energy programs to address the needs of energy-burdened residents, improving local government capacity to serve those residents, and enhance local workforce skillsets and capability to improve housing stock and make energy efficiency repairs consistent with the terms and requirements of the award; and.

WHEREAS, the CITY has committed to provide program support to GHHI in order to implement the collaboration of lead hazard reduction and energy efficiency activities as outlined in the Scope of Work;

WHEREAS, GHHI will provide partial funding for Weatherization Assistance Program staff salaries and benefits for the FY 2021 Healthy Homes and Weatherization Cooperation and Demonstration

grant funds in the amount of *Two Hundred Thirty-Four Thousand, Six Hundred Seven Dollars and 50/100 (\$234,607.50) over a 3-year period* from the United States, Department of Housing and Urban Development's Office of Lead Hazard Control and Healthy Homes; and passed through Green & Healthy Homes Initiative (GHHI) of Memphis, Tennessee

WHEREAS, the CITY will provide quarterly updates and submit invoices for work *not completed* under the HUD Lead Hazard Reduction Healthy Homes Program or the DoE Weatherization Assistance Program to GHHI as outlined in the Scope of Work; and

WHEREAS, GHHI and CITY wish to enter into this MOU to set forth and memorialize the understanding of the rights and duties of each party hereto.

NOW, THEREFORE, in consideration of these premises the Parties agree as follows:

1. **SCOPE.** The CITY will conduct work as outlined in the scope of work as agreed upon both parties and related to grant objectives pursuant to the contract between GHHI and HUD'S Office of Lead Hazard Control and Healthy Homes ("OLHCHH") attached hereto as Exhibit A and the budget attached as Exhibit B. Said scope of work is attached hereto as Exhibit C and incorporated by reference. The City shall receive reimbursement upon approval of activities within said scope of work. The City will submit reimbursement request quarterly as applicable as described in the Statement of Work.
2. **TERM.** The term of this MOU shall begin upon the date of execution and continue until the Project is complete but no later than December 31, 2025. This MOU shall become effective upon the signature of both Parties.
3. **TERMINATION.** This MOU may be terminated by either party, with or without cause, by giving thirty (30) days' written notice to the other before the effective date of termination. In the event of termination, the CITY shall be entitled to receive compensation from the GHHI for all costs or expenses incurred by the CITY for these projects, including but not limited to services rendered or work performed, as of the termination date.
4. **NO INDEMNIFICATION.** The parties recognize that each party is a governmental entity as defined by Tennessee Code Annotated Section 29-20-101 et. seq. and is responsible for negligent acts and/or omissions of its agents or employees. The parties agree that neither party shall be responsible for personal injury or property damage or other loss suffered by any person or entity except that resulting from its own negligence, and nothing in this MOU shall be construed as creating an obligation to indemnify the other party against that party's own negligence. The foregoing notwithstanding, it is the intent of the parties hereto that neither party, by virtue of entering into this MOU, assume liabilities that are greater than those set forth in the Tennessee Governmental Tort Liability Act, T.C.A. Section 29-20-101, et seq., or an amount of liability greater than set forth in T.C.A. Section 29-20-101, et seq.
5. **COMPLIANCE WITH FEDERAL LAW.** All parties hereto hereby agree, warrant, and assure compliance with the provisions of Title VI and VII of the Civil Rights Act of 1964 and all other federal statutory laws which provide in whole or in part that no person shall be excluded from participation or be denied benefits of or be otherwise subjected to discrimination in the performance of this MOU or in the employment practices on the grounds of handicap and/or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee State Constitutional or statutory law. Upon request, the requested party shall show proof of such non-discrimination and shall post in conspicuous places available to all employees and applicants notices of non-discrimination.

6. **ENTIRE AGREEMENT; MODIFICATION.** This MOU represents the entire and integrated MOU between the parties and supersedes all prior negotiations, representations or MOUs, whether oral or written. This MOU may be modified or amended only by written instrument signed by both parties.

7. **SEVERABILITY.** If any provision of this MOU is held to be unlawful, invalid or unenforceable for any reason, such provision shall be fully severable; and this MOU shall then be construed and enforced as if such unlawful, invalid or unenforceable provision had not been a part hereof. The remaining provisions of this MOU shall remain in full force and effect and shall not be affected by such unlawful, invalid or unenforceable provision or by its severance here from. Furthermore, in lieu of such unlawful, invalid, or unenforceable provision, there shall be added automatically as a part of this MOU a legal, valid, and enforceable provision as similar in terms to such unlawful, invalid, or unenforceable provision as possible.

8. **WAIVER.** No waiver of any term, condition, default, or breach of this MOU, or of any document executed pursuant hereto, shall be effective unless in writing and executed by the party making such waiver; and no such waiver shall operate as a waiver of either (a) such term, condition, default, or breach on any other occasion or (b) any other term, condition, default, or breach of this MOU or of such document. No delay or failure to enforce any provision in this MOU or in any document executed pursuant hereto shall operate as a waiver of such provision or any other provision herein or in any document related hereto. The enforcement by any party of any right or remedy it may have under this MOU or applicable law shall not be deemed an election of remedies or otherwise prevent such party from enforcement of one or more other remedies at any time.

9. **NOTICES.** Any notices required or permitted to be given under the provisions of this MOU shall be effective only if in writing and delivered either in person to the authorized agent or by First Class or U.S. Mail, return receipt requested, to the addresses set forth below, or to such other person or address as either party may designate in writing and deliver as herein provided. Notices shall be deemed received (i) if by hand delivery, on date of delivery with a signed receipt; (ii) if U.S. Mail, on date of receipt appearing on the return receipt card; (iii) if by overnight courier, on date receipt is confirmed by such courier service.

<p>CITY: City of Memphis Housing & Community Development 170 N. Main Street, 4th Floor Memphis, TN 38103 Attn: Ashley Cash Email: chad.bowman@memphistn.gov</p> <p>With copy, if requested, To: Chief Legal Officer/City Attorney 125 N. Main Street, Room 336 Memphis, TN 38103</p>	<p>GHHI: Ruth Ann Norton, President and CEO Green Healthy Homes Initiative, Inc. 2714 Hudson Street Baltimore, MD 21224 Attn: Ruth Ann Norton Email: ranorton@ghhi.org, cc:cklinger@ghhi.org</p>
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10. **COMPLIANCE WITH APPLICABLE LAWS.** Both parties shall comply with all applicable federal, state and local laws in the performance of its duties and obligations herein. For all purchases herein, the County shall comply with its purchasing policies and procedures.

11. **REPRESENTATIONS.** Nothing in this MOU shall be deemed to represent that either party, or any of its employees or agents, are the agents, representatives, or employees of the other party. Each party shall be an independent service provider over the details and means for performing the services under this MOU. Anything in this MOU which may appear to give either party the right to direct the other party as

to the details of the performance of the services under this MOU or to exercise a measure of control over the other party is solely for purposes of compliance with local, state and federal regulations and means that the party will follow the desires of the other party only as to the intended results of the scope of this MOU.

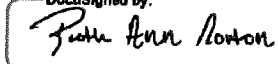
12. **GOVERNING LAW.** This MOU will be construed in accordance with the laws of Tennessee and any litigation will be brought in the courts of Tennessee.

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding to become effective as of the date first written above.

CITY OF MEMPHIS

GREEN & HEALTHY HOMES INITIATIVE, INC.

By: _____
Jim Strickland, Mayor Date:

DocuSigned by:

By: _____
1A42B3080D8A435...
Ruth Ann Norton, President/CEO Date:

By:  _____
Ashley Cash, HCD Director Date: 10.10.22

APPROVED AS TO FORM:

By: _____
City Attorney/Chief Legal Officer Date:

ATTEST:

By: _____
Comptroller Date:

EXHIBIT B

BUDGET

City of Memphis Division of Housing and Community Development

3-YEAR SALARIES AND BENEFITS

POSITION	SALARY	BENEFITS	TOTAL
WAP Director	\$39,525.00	\$8,300.00	\$47,825.00
WAP Analyst (Vacant)	\$68,850.00	\$28,917.00	\$97,767.00
WAP Sr. Analyst	\$28,687.50	\$6,024.00	\$34,711.50
WAP Auditor	\$31,250.00	\$6,563.00	\$37,813.00
Real Estate Dev. Admin.	\$13,629.00	\$2,862.00	\$16,491.00
TOTAL			\$234,607.50

EXHIBIT C

SCOPE OF SERVICES

City of Memphis Division of Housing and Community Development

3- YEAR SCOPE OF SERVICES

Weatherization Assistance Program Director, (0.2 FTE): The program will require the time of 0.2 FTE of the Weatherization Assistance Program Manager for unit production support.

- Approve the sequence of scopes of work for each unit and approve funding/resource braiding plans on a per-unit basis,
- Engage in monthly meetings with program staff to resolve specific unit production challenges and barriers and support systematic coordination of service delivery.
- Time will be devoted to unit production activities under this grant.

Lead Program Manager (0.2 FTE-in kind): The program will require 0.2 FTE of time, provided as an in-kind match to the grant, in order to provide direct support for unit production, in coordination with the Lead Program and the sub-grantee, GHHI.

- Approve the sequence of scopes of work for each unit and approve funding/resource braiding plans on a per-unit basis.
- Engage in monthly meetings with Program staff to resolve specific unit production challenges and barriers and support systematic coordination of service delivery, supervise staff and oversee and participate in grant reporting and other administrative tasks.

Real Estate Development Administrator (0.1 FTE): The program will require 0.1 FTE, about which all of the time will be devoted exclusively to Sr. administrative tasks.

- Administrative tasks, including executive leadership and the City's legislative body to address issues or obstacles that may arise as it relates to grant implementation, and support for client or customer service issues related to the WAP and Lead Programs.

Weatherization Assistance Program Analyst, VACANT (1.0 FTE): The program will require the time of 1.0 FTE of the WAP Analyst, to be hired.

- Analyst will be responsible for direct support for unit production, including working to schedule pre- and post-audits and ensuring that each contractor satisfactorily completes the job to the DOE WAP standards before payment is issued.
- Devote time to direct unit production, including client intake, scheduling audits, contractor, and client follow-up,

- Time devoted to administrative tasks, including programmatic report preparation, uploading all necessary documents including permits and analyses to the WAPEZ software system and maintaining certification documents for contractors in the WAPEZ system and tracking contractor spending and payments.

Weatherization Assistance Program Analyst (.2 FTE): The program will require the time of .2 FTE of the WAP Analyst.

- Responsible for direct support for unit production, including working to schedule pre- and post-audits and ensuring that each contractor satisfactorily completes the job to the DOE WAP standards before payment is issued.

Division of Housing and Community Development Inspector (0.25 FTE In Kind): The program will require an inspector to provide in-kind as a match to the grant, in order to complete

- Quality Control/Quality Assurance inspections in units receiving coordinated lead, healthy homes and energy interventions. Inspector will periodically inspect properties during the work period, and provide support for lead clearance prior to re-occupancy.

Energy Auditor (0.2 FTE): The program will require 0.2 FTE of a pre-post energy auditor's time.

- Perform energy audits, to determine the work orders and complete post-energy audits to ensure that the contractors are installing the energy efficiency measures and retrofits to the Standard Work Specification (SWS) set forth in the TN SWS Guide from the Department of Energy.
- GHHI will also cross train and certify the auditor to perform Lead inspections



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

Resolution authorizing the amendment of the FY2023 Operating Budget by accepting the appropriation and allocation of the event sponsorships, donations, and registration and exhibit fees for the 2022 State of Memphis Housing Summit in the amount of approximately \$40,000.00 and the submission of all required documents to collect, obligate and expend conference revenue.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

The Division of Housing and Community Development

3. State whether this is a change to an existing ordinance or resolution, if applicable.

Not applicable.

4. State whether this will impact specific council districts or super districts.

City Wide

5. State whether this requires a new contract, or amends an existing contract, if applicable.

New contracts and contract amendments will be required.

6. State whether this requires an expenditure of funds/requires a budget amendment.

Expenditure of funds will be required.

7. If applicable, please list the MWBE goal and any additional information needed.

Not applicable to MWBE.

Resolution-Division of Housing and Community Development



RESOLUTION AUTHORIZING THE ACCEPTANCE OF CONFERENCE SPONSORSHIPS, DONATIONS, AND REGISTRATION FEES FOR THE STATE OF MEMPHIS HOUSING SUMMIT 2022 IN THE AMOUNT OF UP TO \$40,000.00 AND THE SUBMISSION OF ALL REQUIRED DOCUMENTS TO COLLECT, OBLIGATE AND EXPEND EVENT REVENUE.

WHEREAS, the City of Memphis' Division of Housing and Community Development (HCD) is hosting its ~~inaugural~~ Housing Summit November 2, 2022, event and anticipates collecting and expending funds not to exceed \$40,000.00; the event with the theme of ***"Looking Forward to New Housing Realities"***; and

WHEREAS, HCD is hosting the State of Housing Summit, a Local event; and

WHEREAS, in keeping with the spirit of helping our communities becoming stronger, we have decided to coordinate a day-long event to provide context and analysis on the issues affecting the housing market in the City; and

WHEREAS, the intended audience includes neighborhood and civic leaders, as well as representatives from business and philanthropy. The event will serve as an opportunity to provide real data points with regards to where we stand as a city and region in terms of housing, and explore national and local strategies for improving housing stock and

WHEREAS, invaluable knowledge will be shared to assist in building and transforming communities of all sizes.

Resolution-Division of Housing and Community Development

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Memphis that the above fees and expenditures are hereby approved to be accepted, obligated, and expended for the 2022 Housing State of Housing Summit.

Revenue: Misc Income 0111.210401.049100
Sponsorships/Registration fees/in-kind up to \$40,000.00

Expense: Social Services 0111.210401.061203
The State of Memphis Housing 2022 Summit \$40,000.00
“Looking Forward to New Housing Realities”



**JIM STRICKLAND
MAYOR**

October 11, 2022

Councilwoman Michalyn Easter-Thomas
Chairwoman, Personnel and Gov Affairs Committee
125 N. Main Street, 5th Floor
Memphis TN 38103

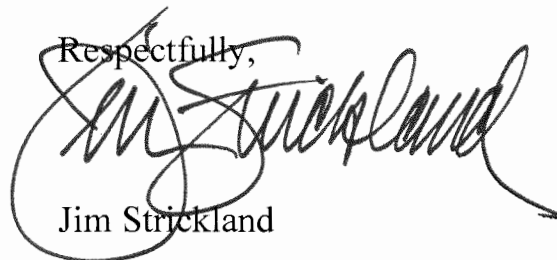
Dear Councilwoman Easter-Thomas:

Subject to Council approval, it is my recommendation that:

Douglas A. McGowen

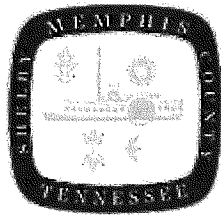
be appointed as President and CEO of Memphis Light Gas & Water with an annual salary of \$320,000.00.

Respectfully,

A handwritten signature in black ink, appearing to read "Jim Strickland". The signature is written in a cursive style with a large, looping initial "J".

Jim Strickland

cc: Memphis City Council



Doug McGowen

Doug McGowen serves as the Chief Operating Officer for Mayor Jim Strickland and the City of Memphis. As Chief Operating Officer, McGowen directly oversees all city operating departments and related agencies. From March 2020 to March 2022, he also led the Memphis and Shelby County COVID-19 Joint Task Force, coordinating all aspects of a successful pandemic response. Passionate about making Memphis a better place to live and work, McGowen also serves as Board Chair of the Mid-South American Heart Association and Board Chair for Explore Bike Share.

Immediately prior to his COO role, he served as Director of the Innovation Team for the City of Memphis (now Innovate Memphis) and headed the Memphis Sexual Assault Kit Task Force.

Prior to joining the city team, McGowen served as a commissioned officer in the United States Navy, retiring as a Captain in 2011 after 26 years of service. His last assignment was as Commanding Officer of the Naval Base in Millington, TN. McGowen also served as Commanding Officer of Strike Fighter Squadron ONE ZERO TWO, Chief Operating Officer for the US Navy Recruiting Command, and Chief Operating Officer for Carrier Air Wing NINE. During his career, McGowen completed multiple overseas deployments and participated in combat operations during Operations Desert Shield/Desert Storm and Operation Enduring Freedom flying the F-14 TOMCAT and later the FA-18F Super Hornet.

McGowen holds a B.S. in Civil Engineering from Virginia Military Institute and an M.A. in National Security from the United States Naval War College. Born in Meadville, PA, McGowen and his family are proud to call Memphis home.



JIM STRICKLAND
MAYOR

October 11, 2022

Councilwoman Michalyn Easter-Thomas
Chairwoman, Personnel and Gov Affairs Committee
125 N. Main Street, 5th Floor
Memphis TN 38103

Dear Councilwoman Easter-Thomas:

Subject to Council approval, it is my recommendation that:

Chandell Ryan

be appointed as Chief Operating Officer with an annual salary of \$163,667.00.

Respectfully,

A handwritten signature in black ink, appearing to read "Jim Strickland". The signature is written in a cursive style and is positioned above the printed name "Jim Strickland".

Jim Strickland

cc: Memphis City Council



Professional Training

Bachelor of Science
Juris Doctorate
Trained Mediator
Licensed Attorney – TN
Lean Six Sigma Certified

Current Role

Chandell Carr, a 17-year veteran of City government, works with the Chief Operating Officer **Doug McGowen** to be responsible for day-to-day service delivery, resource allocation, budgeting, and policy development for all of the City's divisions, among other duties. Carr has most recently served as the Equity, Diversion & Inclusivity Officer for the Division of Human Resources. She is a 2001 Juris Doctor graduate of the University of Memphis Cecil C. Humphreys School of Law.

Experience

Attorney Carr practiced general litigation for Spicer, Flynn and Rudstrom, PLLC until she joined the City in 2003. During her 13+ year tenure with the City, she served in various roles including Assistant City Attorney, Senior Assistant City Attorney, Equal Employment Opportunity Officer/Labor Relations Manager, Equity, Diversity & Inclusion (EDI) Senior Manager, and EDI Officer. In her role as EDI Officer Attorney Carr was responsible for diversity and inclusion strategy and programs, equal employment opportunity philosophy and policies, on-the-job injury program, civil service commission, employee and labor relations, corporate social responsibility, and the AmeriCorps VISTA program. The COM employs 7500+ public servants and is associated with 13 labor organizations representing 20 bargaining units. As the Human Resources Manager/Labor Relations with United Technologies at the Carrier Plant in Collierville, TN for nearly 3 years she was responsible for all labor (union represented) and employee relations activities for the 1900+ employees, recruiting, training, responding to discrimination complaints and assisting the leadership team in reaching business objectives through consultation, advice, and policy and procedure improvements.

Professional Affiliations

- New Memphis Institute, Leadership Development Intensive, Alumni
- Tennessee Labor Management Foundation, Board Member



MARTAVIUS JONES
MEMPHIS CITY COUNCIL
SUPER DISTRICT 8-3

November 1, 2022

Councilwoman Michalyn Easter-Thomas
Chairwoman, Personnel & Governmental Affairs Committee
125 N. Main St., 5th floor
Memphis, TN 38103

Dear Councilwoman Easter-Thomas,

Subject to the approval of the Memphis City Council, it is my recommendation that:

Mario Walker

be appointed to the Public Art Oversight Committee.

Regards,

Martavius R. Jones
Martavius Jones
Chairman



Mario Walker is a passionate young designer and architect who has been a part of Self + Tucker Architects since 2005. He serves as Lead Design Architect for the firm and has held the position since 2016. He earned a Master of Architecture from the University of Memphis in 2012 and is currently licensed to practice architecture in the states of Tennessee and Mississippi. He is also the recipient of the 2022 American Institute of Architects (AIA) Young Architects Award which honors individuals who have demonstrated exceptional leadership and made significant contributions to the architecture profession early in their careers.

His high level of creativity and responsible, sustainably minded design is fundamental to every design opportunity, and he strongly believes that quality of life is enriched by every well-designed structure and public space. With over 17 years of experience in the architecture profession, Mario is dedicated to advancing architecture as it embraces broader community and cultural engagement. He has established a reputation for design leadership throughout the Delta region. Many of the projects for which he focuses his design excellence and community engagement have been for both established institutions and underserved communities.

His design experience includes neighborhood planning and streetscapes development; institutional and mixed-use developments including schools, museums, medical and religious institutions, transportation hubs, and public open spaces. He has experience in all phases of the design process as well as in managing complex project teams and working closely with Owners, Contractors, and Community Partners. His design work has been recognized and has won awards locally, regionally, and nationally.

Mario has served as a studio instructor assistant within the undergraduate studios at the University of Memphis, served as guest juror at the university, lectured at design industry events, and participated in numerous community-centered design events benefitting greater Memphis and the State of Tennessee. He also holds a position on several local and national boards including, Treasurer (Former President) of the local National Organization of Minority Architects (NOMA) Memphis Chapter, American Institute of Architects (AIA) National Emerging Professionals Task Force, The National Council of Architectural Registration Board (NCARB)'s ARE 5.0 Forms Assembly Subcommittee, Memphis and Shelby County Building Code Advisory Board, Downtown Memphis Design Review Board, The Memphis Landmarks Commission, and the Memphis Zoological Society Board. He has previously served as the Emerging Professional Director for the AIA Memphis Chapter. He greatly enjoys biking, photography, traveling, and sharing his passion for architecture with his family, friends, and community.

Mario resides in Memphis, Tennessee, with his wife Hope, daughter Maréa, and sons Jude and Ezra.