

Megasite Authority of West Tennessee Board of Directors

Meeting Date: September 18, 2024

Time: 10:05 a.m. – 11:02 a.m.

Location: Southwest Tennessee Development District Office, Jackson, TN

Attendees Included:

Clay Bright, CEO

Charles Tuggle, Chairman

Commissioner McWhorter (absent)

Commissioner Branscom (via Microsoft Teams)

Commissioner Bryson (absent)

Jeff Huffman

Jim Duke

Michael Banks

Chris Richards

Carolyn Hardy

Christy Allen, Legal Counsel

- Chairman Tuggle called the meeting to order at 10:05 a.m.
- CEO Bright performed the roll call. A quorum was present.
- The first item of discussion was approval of the May 15, 2024, meeting minutes.
 - A motion was made by Chris Richards to approve the minutes.
 - Motion seconded by Carolyn Hardy.
 - In a roll call vote, the motion passed.
 - Minutes approved.
- Pretreatment Program Rulemaking Approval
 - Christy Allen provided an update on the documents emailed to the members before today's meeting. There are two requests for motions.
 - The first is for a motion to approve the rulemaking hearing rules subject to any non-substantive amendments that may be needed as the rules continue through the review process.
 - Chairman Tuggle called for a motion.
 - Motion made by Chris Richards
 - Seconded by Jim Duke

- Mayor Huffman asked if the purpose is to make sure that we are in compliance and that we have a pre-treatment program that we can enforce to keep the pollutants and heavy metals out of the system. CEO Bright confirmed and added that the pre-treatment is before they send it to the treatment facility that is located at the Megasite, before we disperse the waste. TDEC will be the approval authority always, and the Megasite Authority will be the controlling authority. Mayor Huffman asked if the pre-treatment does not work properly, who is responsible for enforcing that? CEO Bright, it will be the Megasite Authority.
- Chairman Tuggle stated that with no further discussion, the Board was ready for a roll call vote. In a roll call vote, the motion passed.
- Christy Allen stated that the second ask of the Board is to adopt the responses to the comments in the document.
 - Similar to the previous motion, Ms. Allen asked that the Board approve the responses to the comments, subject to any non-substantive revisions.
- Chairman Tuggle asked for a motion.
- Motion made by Carolyn Hardy
- Motion seconded by Jim Duke
- No further discussion in a roll call vote, the motion passed unanimously.

- Chris Richards asked for the benefit of the audience if the Board could give some indication of a timeline of the substantive work on the regulatory process, so people know when the Board is doing another notice of rulemaking or issuing information. CEO Bright responded that before this policy is in place, the CEO is working with TDEC and EPA to set that up. There was a conference call earlier this week, and until all of the rulemaking is in place, TDEC is the controlling authority, and EPA is the approval authority in this process. They are going through now to see what the parameters are. TDEC will have public meetings to ensure Ford has the permits needed to operate.

- Mr. Johnson Property Update
 - CEO Bright reported that they have reached an agreement with Mr. Johnson. They have been working on the different ownership of the property and contacting the heirs. That information was sent to the title company, and they are going through their due diligence. Once completed, and an agreement is reached with all owners, they will be able to close.

- Consultant Contracts with GSP, SSOE, Rate Studies & Barron Survey Approval
 - CEO Bright stated that these are contracts that have been ongoing for quite some time, which were with the Department of General Services. As the project with the treatment plant winds down, those contracts will end. They want to take those existing contracts and enter a new contract for them to continue to provide services to the Megasite Authority.
 - The ask today is a motion to allow the CEO to move forward with procurement and negotiations for these contracts.
 - Gresham Smith will be the ongoing and they have helped with the zoning document and the wellhead protection plan.
 - SSOE was the main engineering firm for the wastewater treatment plant.
 - Rate Studies was involved as a consultant to set up the rates that will be charged to Ford through the water contract and wastewater treatment plan contract.
 - Barron Survey – The Megasite Authority will continue to work with them for the subdivision of plats as it continues to evolve on the Megasite.
 - Motion made by Carolyn Hardy
 - Seconded by Jim Duke
 - Mayor Huffman asked about the money to pay the contracts. CEO Bright reported that the money is in the Megasite Authority budget that was adopted by this Board.
 - In a roll call vote, the motion passed unanimously.
- Chairman Tuggle stated he needed to correct an oversight on the prior two motions, to ask Commissioner Branscom to vote. Chairman Tuggle asked if the motions needed to be repeated, and Commissioner Branscom replied that she was aware of both and would vote aye on both.
- WHPP
 - CEO Bright provided an update. The Megasite Authority continues to work with the University of Memphis – CAESER and received a best practice report in May. The next step with them is a wellhead protection plan that is expected by the end of this month. Once received, the Megasite Authority will work with Gresham Smith on how that needs to be rolled into the zoning

document or some type of overlay and will bring that back to this Board for approval. The other next step item is the wellheads along Keeling to put in monitoring wells so they will know what kind of water is entering the site. Currently, the Megasite Authority has a 3-year contract with CAESER to monitor those wells protecting the aquifer. They are still working with Ford to get a release on two wells on the BlueOval City property that would give the Megasite Authority an advanced warning if there is an issue, a couple of years in advance, before hitting the actual wells themselves.

- Rate Study/Contract with Ford for Water & Waste Update
 - Update from CEO Bright. The Megasite Authority has shared the information with Ford based on the projected usage at the maximum output they would need as far as wastewater treatment is concerned. The Megasite Authority is also working with the Bradley Firm, and this will be brought back to the Board for approval. Per the legislation, the Megasite Authority is charged with providing water and wastewater services to Ford and any other clients on-site, and not operating at a deficit by the end of 2026.

- Treatment Plant Update
 - Both plants, the water and wastewater services, are up and running and the Megasite Authority has received source approval for Ford's seven wells. The Megasite Authority is staying ahead of what Ford needs and honoring commitments made.

- TDOT Update
 - SR468, which runs East and West of SR222 - Phase 2, has started as far as grading and excavation. Signals are expected along SR22 in November, and that project should be open to traffic by January 2025.
 - SR222 the northern improvements - Phase 1 traffic switch is complete for construction, not to be confused with Ford, which is working on widening the northbound lanes. Completion of that project is in October 2025.
 - Exit 42 expanding the exit and access lanes, and SR222 in that area - the contractor is working on Phase One with an opening to traffic date of November 30, 2025, and completion in May 2026.
 - Exit 39 and the interchange tying into SR468 - TDOT is working through this and has the plans in hand.

- Chairman Tuggle, this concludes the meeting portion of the agenda, and we are now open for public comments.
- Public Comments
 - Faye Knight, Blue Oval Good Neighbors. We appreciate the Megasite Authority holding the meeting in Jackson, so more members of the coalition and residents were able to attend. As of today, we have over 800 signatures on our petition calling on Ford to come to the table to negotiate a legally binding community benefits agreement (CBA) with us. That is 800 West Tennesseans who want to ensure housing remains affordable in West TN and that real estate developers who are connected to many West TN politicians do not exploit our communities for profit. Those who want guarantees that local residents will be trained for the benefits of these jobs, and who are concerned about clean water and land, preserving our national resource for generations to come. We have seen Ford donate to various organizations, but we have yet to have any communication with them since we publicly called on them to come to the table on Juneteenth. We are here again to call upon the Megasite Authority of West TN to encourage Ford to come to the table to negotiate a legally binding CBA with us. This will ensure our communities share in the benefits of this project.
 - Eloise Thompson, Blue Oval Good Neighbor, and resident of Mason, TN. Ford recently announced that they are delaying truck production until 2027. However, we know that construction on Blue Oval City continues, and that battery production is still expected to begin next year. We understand that timeline adjustments are sometimes necessary for big projects, but our taxpayer dollars are funding not only the project, but a transformation, and local residents are worried about being left behind, as has happened in large developments across Tennessee and across the country. Blue Oval Good Neighbors believe it is now even more important for Ford and Blue Oval SK to come to the table and meet with our coalition as plans for the project shift. We have the opportunity to build a meaningful partnership with Ford for the long run, and we continue to want to make that happen. We have a couple of questions for you, Mayor Huffman, Mr. Michael Banks, and anyone else here present today who serves with the Equitable Growth Advisory Council. When does this council meet, and why have you not attempted to engage with our coalition that has been calling on Ford to come to the table?

How can this council concern equitable growth when Ford and the council are ignoring the coalition of hundreds of predominantly black local residents? We look forward to your responses and your commitment to securing a meeting between Blue Oval Good Neighbors and Ford representatives.

- Durwood Goings, Blue Oval Good Neighbors. We have attended every Megasite meeting this year in an attempt to reach out and contact Ford, to no avail. We have reached out privately, we have addressed them publicly, we have sent emails, and we have leveraged social media, but so far, nothing has happened. The Department of Energy has recognized the CBA as a gold standard for billions of dollars that Ford has received to help develop Blue Oval SK. The funding will help to offset the infrastructure that is coming and is certainly needed. If there is any Ford representative here or listening, we will welcome them to reach out to us so we can have their dialogue. Lastly, we wholeheartedly welcome Ford to the community, there is no doubt. Ford is known for building quality trucks and cars, and we are asking Ford to help build quality neighborhoods, which is key.
- Sara Houston, Executive Director, Protect Our Aquifer, an organization based in Memphis, but the aquifer spans all of West TN and is the source of the water for the southern well at the Megasite. I virtually tuned into this Board one year ago to speak about the zoning regulations. Today, you heard from Mr. Bright about the great progress the State is making on these wellhead protection plans, and also on the monitoring wells. This is a great step forward, so we can address any potential contamination before it hits any of your wells. What we want to continue to think about is when you get this plan, how we can put this into implementation. This plan will show the capture zone, which is the flow path of the groundwater around the wells. The wells will be drawing water from the surrounding area, and these are great for tracking where contamination could potentially be coming from and will allow you to know where the sources may be. The best way to implement this is through zoning overlays. What this does is dictate the placement of hazard infrastructure and try to push more spill prevention measures. There is Zone 1, closer to the well, which has more stringent regulations, and Zone 2 can be bigger and up to the standards proposed. These overlays are a best practice. We are glad to hear Ford is thinking of no

below-ground storage tanks, a great best practice. Having a zoning overlay will make that consistent across the Megasite as there is a lot of undeveloped acreage. This is a tool to prevent water quality issues and can help the State avoid costly liabilities and take preventative measures and drink from the same aquifer. We recommend the completion of this plan and the implementation of the zoning regulations. We think the Megasite of West TN could be a model for balancing industrial development and protecting our natural resources.

- There being no others desiring to make public comment, the public comment portion of the meeting was concluded.
- CEO Compensation
 - Chairman Tuggle circulated material to all board members with the compensation proposal for the CEO.
 - Mayor Huffman moved to take the Chairman's recommendation as it was mailed out.
 - Seconded by Jim Duke.
 - In a roll call vote, the motion passed.
- Fire Station Update
 - Jim Duke reported that the fire station is fully operational. Additionally, there will be a dedication ceremony naming Highway 222 in memory of former Haywood County Mayor Franklin Smith on October 10 at the TCAT at 3:00 p.m. Michael Banks, Mayor Huffman, and Mr. Duke will be part of the program. Everyone is welcome to attend.
- Chris Richards stated that with the announced delay by Ford and recognizing that this is a moving target, she would like an agenda item for the next meeting to review the commitments made on employment that were part of the tax abatement process and see how any of these delays may have impacted those commitments, and whether there needs to be some kind of amendment or some other kind of change. Ms. Richards acknowledged that it may be difficult for them to ascertain specifically how this is going to be impacted, but there should be a conversation about it. That document contains firm commitments on the number of jobs; she requested a review at the next meeting, or if not at that meeting at the appropriate time.

- Michael Banks referred to the PILOT agreements considered at a prior meeting and asked whether there was any update on additional PILOTs, when the board could expect something on those, and whether the delay with Ford is causing a delay with them. CEO Bright replied that he received something recently from Universal, and things are still going forward.
- A member of the public asked to follow up on the question asked to Mayor Huffman regarding the Equitable Growth Committee and the meeting. After some conversation, Mayor Huffman agreed to meet with members present but made it known that he does not represent Ford Motor Company; he represents the citizens of Tipton County. The Chairman of the Equitable Growth Committee is who calls the meetings.
- Chairman Tuggle asked if there was any other business any member wanted to bring before the Board today. Since there was none, the Chairman called for a motion to adjourn.
 - A motion was made by Mr. Banks to adjourn.
 - Seconded by Mr. Duke.
 - The motion passed unanimously.
 - The meeting adjourned at 11:00 a.m.

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