

## CITY OF DENTON CITY COUNCIL MINUTES

February 1, 2016

After determining that a quorum was present, the City Council and the Public Utilities Board of the City of Denton, Texas convened in a Closed Meeting on Monday, February 1, 2016 at 11:33 a.m. in the Council Work Session Room at City Hall.

### 1. Closed Meeting:

- A. ID 16-191 Deliberations Regarding Certain Public Power Utilities: Competitive Matters - Under Texas Government Code Section 551.086.

Receive a presentation from Denton Municipal Electric staff ("DME") regarding public power competitive and financial matters pertaining to plans, strategies, opportunities, and developments for generation improvements to the DME system; discuss and deliberate strategies regarding same; discuss and deliberate opportunities and strategies for the City to acquire purchased power and enter into agreements regarding the same, in order to meet its future energy needs; discuss and deliberate existing and possible future power supply and energy arrangements with TMPA. Discuss, deliberate and provide Staff with direction.

The City Council and Public Utilities Board convened in a Work Session at 1:01 p.m. in the Council Chambers at City Hall.

### 1. Work Session Reports

- A. ID 16-131 Receive a report, hold a discussion, and give staff direction on the Denton Renewable plan, utility activities, and activities related to the future power supply plans to meet the City's growth and needs, including but not limited to TMPA.

Phil Williams, General Manager of Denton Municipal Electric, briefed the Council and Board Members on how TMPA and the Renewable Denton Plan and how they interacted with each other. He stated that there would be some upcoming TMPA decisions to be made. A Request for Proposal was issued January 29. Staff would be coming back with the results from the Request for Proposal in the future. Staff would also be bringing concurrent resolutions for Council to adopt related to the most recent state legislation that was related to TMPA. He stated that we had a Joint Operating Agreement that would amend our power sales agreement that would clarify many of the things that were not abundantly clear within our operations of TMPA. By September 30, 2016 each member city must provide notice of their intent if they desired to exit TMPA on September 30, 2018.

Proposal submission deadline for the RFP was April 15. Finalist selection would be made by April 30. Finalists would make presentations to the TMPA Board at their meeting on May 12. TMPA decisions were related to our power supply going forward but were not sequential. TMPA decisions would be based on responses to the RFP, what kind of offers we received for the plant going forward, and our discussions with the other member cities and what their actions were moving forward.

Hawkins asked what was included in the criteria for the notice of intent that we needed to give on September 30, 2016.

Williams stated that in the existing Power Sales Agreement since there were so many regulatory issues and environmental laws being contemplated that many of the member cities would like to extend the September 30, 2016 date or have an option period after September 30, 2016 to be able to declare and still have a two-year out, but not to be a one and done decision.

Council Member Johnson asked if the Renewable Denton Plan contemplated all of the remaining debt obligation that Denton had as it related to TMPA.

Williams stated that was correct.

Johnson asked if the Renewable Denton Plan gave any future value to TMPA.

Williams stated that it did not.

Mayor Pro Tem Gregory stated to the PUB members that the Council had given DME staff a charge to come up with a new plan that increased the City's renewables, that kept the City's rates competitive and that ensured reliability. He had three questions for the PUB members. First question – were we on target by setting these goals for staff? Second question – once staff presented the Renewable Denton Plan, how well did they do in achieving those three goals? Third question - do you still have questions that you need answers to regarding the Renewable Denton Plan?

Randy Robinson stated that he thought the charge given to staff was on target. He thought that the staff addressed all three of the goals. Seventy percent was a pretty good goal. As far as the rates, we know the challenges that will affect them now as well as in the future. He did not have other questions for staff.

Barbara Russell stated that the charge given to staff was on target. She thought that we had the right people in place to make those decisions. She thought the Renewable Denton Plan addressed all of those goals.

Charles Jackson stated that reliability of power was very important. He felt the Renewable Denton Plan the way it was structured now was reliable.

Brendan Carroll stated that the three goals were on target. The Renewable Denton Plan has opened up different options and ideas and addressed those goals very well. He stated that how DME moved forward with this project would be the challenge.

Phil Gallivan stated that the most frequently asked question was how it affected the rates and reliability was second. Only other question he had was when could we move forward with the project.

Council Member Roden thanked the PUB members for their service and stated that the Council valued their opinions.

City of Denton City Council Minutes

February 1, 2016

Page 3

With no further business, the meeting was adjourned at 1:21 p.m.

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CHRIS WATTS  
MAYOR  
CITY OF DENTON, TEXAS

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JANE RICHARDSON  
ASSISTANT CITY SECRETARY  
CITY OF DENTON, TEXAS