

CITY OF DENTON CITY COUNCIL MINUTES

November 5, 2012

After determining that a quorum was present, the City Council convened in a Work Session on Monday, November 5, 2012 at 11:30 a.m. in the City Work Session Room.

PRESENT: Council Member Watts, Council Member Gregory, Council Member Engelbrecht, Council Member King, Council Member Roden, Mayor Pro Tem Kamp, Mayor Burroughs

ABSENT: None

1. Receive a report, hold a discussion, and give staff direction regarding the addition of natural gas as an alternative transportation fuel for a portion of the Solid Waste and Recycling Services collection fleet and other interested City departments.

Vance Kemler, General Manager-Solid Waste, presented information concerning the addition of natural gas as an alternative transportation fuel for Solid Waste.

Key issues included (1) national, state and local policy, (2) background on the gas industry and grants, (3) fuel processing, (4) truck performance and maintenance, (5) safety and emissions, (6) project goals, and (7) overview and recommendation. He noted that CNG meant compressed natural gas and LNG meant liquid natural gas.

National, State and Local Policy – in April 2012 governors from 13 states signed a letter to automakers asking for help in converting state fleets from gasoline to CNG. The Department of Energy had announced projects to advance innovative natural gas vehicle technologies. The US Council of Mayors supported the Natural Gas Act. The City's policy was to promote Clean Fleet Initiatives since 2005. The proposal also corresponded to the City's Strategic Plan regarding sustainable economic development and environmental stewardship for improved local and regional air quality and the management of natural resources. A listing of CNG/LNG vehicles in the U.S. was presented. Alternative fueling stations in the U. S. were also presented.

TCEQ Clean Transportation Triangle Grant - Fueling Stations - Denton was awarded a grant in the amount of \$400,000 for establishing a CNG/LNG fueling station. The Station was to be open to the public and was a reimbursement grant. Council must accept the grant after which Purchasing would issue an RFP to develop a public/private partnership to develop and operate a fueling station.

The TCEQ Texas Clean Fleet Program Grant was an additional grant that was available for vehicles. This grant was limited to replacement trucks and the amount received was a percentage of the truck cost, based on the age of the vehicle engine.

Kemler presented information on fuel price comparisons in terms of unit of measurement and fuel cost per diesel gallon equivalent.

Council Member Watts asked what the easiest way was to correlate the price of natural gas and diesel raw pricing at the pump prices.

Kemler stated that right now the gallon equivalent to raw gas was 40-45 cents per gallon which was more than diesel at the pump.

Council Member Gregory asked if the diesel gallon was the same as miles per gallon or volume.

Kemler stated that the economy compared compressed gas to diesel was equal to or slightly less than diesel fuel. The equivalency was to look at BTU energy value and compare energy value of diesel grade. Natural gas had a minimum amount of BTU per national regulations.

The Solid Waste annual fuel budget impact was reviewed. Cost savings would be approximately \$550,000 when half of the fleet was converted. The increased vehicle cost for CNG was \$40,000 per truck which the grants would help reduce this increased truck cost. The CGN investment payback period was 2.9-3.2 years and the collection truck replacement cycle was 7 years.

Council discussed the provisions of the grant in terms of replacement vehicles and what would be done to the fleet with the new vehicles.

Kemler continued with the CNG truck performance versus diesel, safety, and emissions.

Project Goals - the Solid Waste Department would like to promote environmental sustainability by improving local and regional air quality through the addition of CNG fueled vehicles. It also wanted to improve the operations sustainability by using local natural gas as a vehicle fuel thereby reducing the purchase of diesel fuel and desired to reduce and better control fuel costs in providing collection services.

Project Overview – the proposed project would transition a portion of the Solid Waste Collection fleet to CNG fuel with at least 8 trucks converted in the first year. The project would also establish the first CNG and/or LNG fueling stations to support the community's current and future natural gas fueling needs. This would require a request for proposal for a public/private partnership to construct/operate a public access fueling station.

The Public Utilities Board and staff recommended (1) the acceptance of the \$400,000 Clean Transportation Triangle Grant, (2) the City partner with a private entity to construct and operate the natural gas fueling facility, and (3) the Solid Waste department transition a portion of the Solid Waste fleet to CNG fueling.

Mayor Pro Tem Kamp asked if there were private companies in the area that built these types of facilities.

Kemler stated that he had spoken to more than six in the area. Some of those companies had experience in the solid waste area.

Mayor Burroughs asked what the match would be for the \$400,000 grant.

Kemler stated that this was not a matching grant but rather a reimbursement grant. The final cost of the station would be more than \$400,000.

Mayor Burroughs asked about the cost for a station.

Kemler stated that the City would be requesting both CNG and LNG fueling capacity in the RFP. The possible range of cost would be \$2-\$4 million to put in the station depending on the alternatives used. There were three possible sites near the landfill.

Mayor Burroughs asked what the City would have to provide with this arrangement.

Kemler stated that there were many possible components. One would be to guarantee a certain amount of fuel purchased which would be based on the number of trucks purchased. As the facility would be on city property, there would be a ground lease which would provide revenue to the City. The rate structure for fuel would be less than the current retail pump rate. The capital costs for the building of the facility would be recouped from the rate charged to the City and to customers.

Council Member Gregory stated that the DISD had a number of buses that operated on propane. He asked if that was different from CNG.

Kemler stated that propane was different from CNG. Staff would be approaching the County and DISD to see if they might want to transition their fleet to CNG over time.

Council Member Watts stated if the City moved forward to buy eight trucks that the grant money would help offset the cost and if there were some funds remaining, it would be very important what was done with the savings. He suggested not placing it in the General Fund but rather put it in a fund to help finance the facility or help fund future trucks not subject to the grant. If the project was going to go forward, he suggested providing the location as a convenience for other municipalities and others to come to Denton to use the facility. The public component was very important.

Kemler agreed that the public component was very important.

Council Member Watts felt that there was a need to look for the correct placement for the facility as an incentive for future development. Look for convenience for the outside customers and how to use the facility for economic development purposes.

Kemler stated that part of the grant involved the proximity of the facility to the Interstate. Ease of access was a key component.

Council Member Roden asked who benefited from the use of the facility.

Council discussed the different types of stations and the different volumes to produce from those stations, the time to fuel the trucks as opposed to diesel fueling, what would happen if that station went down, and who would be involved in the pricing of the gas.

Mayor Burroughs noted that after the proposals were in Council would have another discussion on the project.

2. Receive a report, hold a discussion, and give staff direction regarding an ordinance of the City of Denton, Texas amending Chapter 13 (Food and Food Service Establishments) of the City of Denton Code of Ordinances by deleting Articles I, II, III, IV, V and VI in their entirety; adopting the Texas Food Establishment Rules promulgated by the Texas Department of State Health Services and making related deletions and amendments.

Kurt Hansen, Building Official, presented the information on the proposed ordinance for Food and Food Service Establishments. He reviewed the public meetings history of the proposal. The current version of the ordinance was adopted in 2004. The Texas Food Establishment Rules set the minimum standard for the ordinance. He noted that the City now had over 600 food establishments.

The following were changes in the proposed ordinance from the August 2012 version:

- (1) Definition of commercially manufactured – the change revised the wording to “a person” showing a high degree of skill or competence rather than the previous wording of “a professional”.
- (2) Definition of community market – the change provided a separate definition of community market as opposed to the definition of a farmers market.

Council Member Roden asked if the proposal would allow for more temporary permits.

Hansen stated that the community market would be a subset of the farmers market.

Council Member Gregory asked if the definition for “homegrown” would preclude farm grown produce rather than produce from a backyard.

Hansen stated if a person was producing food for the public a manufacturer’s license would be required.

Laurie Pearson, Health Inspector, stated that both types of produce would be allowed at a community market. The word “primarily” allowed for the flexibility in where the food was produced.

Council Member Gregory stated that larger operations would be allowed.

Pearson stated yes and an application would be required.

Council Member Roden stated that there was a definition for community market but there was no reference to it in the ordinance. He questioned how a community market and farmers market would be administered. He suggested including something in the ordinance.

- (3) Class III Mobile Food Establishments – this was an added section to the ordinance. The Class I Mobile Food Establishment was a hot/cold truck with pre-packaged food. Class II was a mobile food establishment that would prepare the food on site. A Class III unit was one that operated only at one location for the life of a permit and only served a limited menu as approved

by the Consumer Health Division. It was similar to the large push carts located at Home Depot or Lowes. A Class IV unit would be a limited service pushcart which was one which was pushed from place to place.

Mayor Burroughs expressed concern about listing such a defined list of food. A specific definition would be difficult in enforcing the ordinance.

Hansen stated that the items on the list were easy foods to keep warm and safe for the public. Other items were harder to keep warm and safe such as corn dogs. If a vendor wanted something different, they could get approval from the Health Inspector.

Mayor Burroughs was concerned about the implementation of foods not listed. He suggested working on internal rules on how to enforce different foods. If staff kept finding foods to add to the list, then the ordinance could be changed to accommodate those types of foods.

City Manager Campbell stated that if the wording was too vague, a vendor could get around the inspection process. The process would be to bring items not on list to the Health Inspector for approval.

Mayor Burroughs stated that when the internal rules on what to look for were established, staff would be establishing patterns on equipment. The Health Department would look at this to determine if other non-listed foods could be incorporated.

Hansen stated that could be added to the permit package that was provided a possible vendor.

Mayor Pro Tem Kamp stated that the health inspectors saw this everyday and liked the suggestion to bring that forward in the future.

Council Member Gregory stated that flexibility for food items was in the statement “unless authorized by the Health Inspector”.

Mayor Burroughs suggested including the food items listed in Class IV in the list of food items for Class III.

(4) Clarify section of definition of push carts – this section was eliminated and replaced with a definition for Class IV Mobile Food Establishments.

Hansen presented information on push cart requirements in a comparison with Denton, Dallas, Fort Worth and Austin.

(5) Temporary Food Permits – staff was proposing increasing the number of temporary food permits from 3 permits per year to 6 permits per year per establishment with no time period between the permits.

Council Member Roden questioned the limiting of the number of temporary permits per year.

Hansen stated the limiting of the number permits was to keep vendors from opening a food establishment every weekend.

Council Member Gregory stated that he would like "community based" wording put back into the language.

Hansen stated that "community based" was taken out as it was a very broad definition; however, if Council desired, that wording could be put back into the ordinance.

Council Member Watts stated that a community based event was an event where people were invited to attend as opposed to just setting up in a location with nothing happening.

Council Member Roden felt that if the definition of community based was placed in the ordinance, he would not be as concerned about the number of permits.

(6) Air curtain requirement – this requirement was deleted from the proposed ordinance as the regulations were already covered in the TEFER.

(7) Clarify "one location" – the wording was changed to define one location as "one parcel of land".

(8) Mobile Food Establishments & Special Events – the wording change would allow mobile food establishments that had a current permit to be permitted at Special Events with permission from the Event Coordinator.

(9) Eliminate setback requirement – the Legal Department felt that the setback regulations should stay in the ordinance.

(10) Comments and Suggestions – a comment/suggestion section was added to the Consumer Health webpage for suggestions.

(11) Daily servicing at commissary – this section would tell where the mobile food truck was going for food, where it was going to wash out the vehicle, where the used grease would be dumped. The proposed ordinance was changed from only being able to use one location to being able to use multiple locations.

Council discussed the definition of commissary and procedures for operating at temporary events.

Hansen stated that wording could be added that during a temporary event, as long as the truck was clean, it would not have to move every day get to a commissary.

Mayor Burroughs stated that the Event Coordinator could make certain the trucks were clean to get the desired outcome.

(12) Using an existing food establishment as a commissary – this would be allowed in the proposed ordinance only if the existing food establishment was approved by the health officer. There were requirements which the location would have to meet in order to be approved.

(13) Neighborhood Associations – the revised ordinance indicated that a mobile unit could not sell food in a residential district without written permission from the homeowners association or neighborhood association. The units would not be allowed in a residential zone that did not have an active homeowners or neighborhood association.

The Health and Building Standards Commission recommended a six month trial run period and then a re-evaluation of the ordinance.

Council Member Watts suggested that a six month trial period might be too long and suggested having the flexibility to bring the ordinance back for review sooner if needed.

Council Member Roden felt it was good timing to move forward with ordinance and not delay it any longer. He noted that the requirements for the fire code might also present problems with the goal of the policy.

Hansen stated that they had always enforced the fire department regulations for many years. He did not foresee any other surprises.

Mayor Burroughs suggested looking at the fire suppression issue at a later date as changes had happened over the years. At that time there could be a general discussion on the differences in new technology.

With no further business, the meeting was adjourned at 2:06 p.m.

MARK A. BURROUGHS
MAYOR
CITY OF DENTON, TEXAS

JENNIFER WALTERS
CITY SECRETARY
CITY OF DENTON, TEXAS