

MINUTES
PUBLIC UTILITIES BOARD
September 14, 2015

After determining that a quorum of the Public Utilities Board of the City of Denton, Texas is present, the Chair of the Public Utilities Board will thereafter convene into an open meeting on Monday, September 14, 2015 at 9:00 a.m. in the Service Center Training Room, City of Denton Service Center, 901A Texas Street, Denton, Texas.

Present: Chair Randy Robinson, Vice Chair Phil Gallivan, Barbara Russell, Lilia Bynum, Charles Jackson, Brendan Carroll and Sarah Parker

Ex Officio Members: George Campbell City Manager and Howard Martin, ACM Utilities

OPEN MEETING:

The Board welcomed the newest Board Member Sarah Parker.

The Election was handled first.

A. PUB15-014 Hold a discussion and elect a Chair and Vice-Chair for the Public Utilities Board.

Board Member Gallivan nominated Randy Robinson for the position of Chair of the Public Utilities Board, second by Board Member Bynum. Vote was 7-0 approved.

Board Member Russell nominated Phil Gallivan for the position of Vice Chair of the Public Utilities Board, second by Board Member Jackson. Vote was 7-0 approved.

CONSENT AGENDA:

A. PUB15-001 Consider recommending adoption of an ordinance authorizing the City Manager or his designee to execute a purchase order through the Buy Board Cooperative Purchasing Network for the acquisition of a street sweeper for the City of Denton Drainage Department; and providing an effective date (File 5929- Street sweeper awarded to Tymco, Inc. in the amount of \$201,523.50)..

Item A was pulled by Board Member Bynum for a question. Bynum stated the equipment seems to be like a blower and moves the materials, asked for an explanation of the purchase equipment.

Howard Martin, ACM answered it is unit that picks up dirt, debris and grit off the pavement. This is in the drainage department because it keeps the debris out of the underground drainage piping system. There are many tons of materials picked up yearly with a schedule for the entire city.

Board Member Carroll asked what the replacement form is. Martin answered there is replacement criteria for all city vehicles. That is set up on miles or hours, depends on the equipment, and cost of maintenance. When cost of maintenance gets so high it is eligible for

replacement. There are standard sets of criteria for different vehicles. This was established by Fleet Services.

A motion was made to approve this item by Board Member Russell with a second by Board Member Bynum, Vote 7-0.

- B. PUB15-012 Consider recommending approval of the purchase of two WEMCO Hydrogritter 12" Full Flare - Weir End stainless steel units from Jay Martin Company, Inc. to replace the existing WEMCO Hydrogritter units at the Pecan Creek Water Reclamation Plant in the amount of \$85,600 (File 5941).

Item B – Board Member Gallivan asked for a description of a Hydrogritter. Martin answered in the wastewater process this will replace a unit process, the Hydrogritter pulls the heavy materials out of the wastewater so that it is not continually pumped through the system. It sits up at the front of the plant and moves the heavier particles that are associated with wastewater.

Board Member Parker asked about the sole-source. Martin answered the reason for this is the Hydrogritters fit into a particular piping scheme you almost have to go back and get the same one. You take out the bad piece and add the new one. This keeps from having to go back and re-pipe.

A motion was made to approve this item by Board Member Jackson with a second by Board Member Russell, Vote 7-0

- C. PUB15-013 Consider recommending adoption of an ordinance of the City of Denton authorizing the City Manager or his designee to execute a contract through the Buy Board Cooperative Purchasing Network for the acquisition of one (1) Sewer Camera Trailer for the City of Denton Wastewater Collections Department; and providing an effective date (File 5935-awarded to R.S. Technical Services, Inc. in the amount of \$133,400).

Item C – A motion was made to approve this item by Board Member Russell with a second by Board Member Gallivan, Vote 7-0.

- D. PUB15-017 Consider recommending rejection of all bids for IFB 5876 for the construction of the Santa Monica Water and Wastewater Improvements project.

Item D – Board Member Russell pulled this item for a question. Russell asked what the anticipated price based on and if this can be done in house why would it be put out for bid. Martin answered much of the replacement for water and wastewater is associated with the street program. Staff is trying to go in and replace the water and wastewater lines before the streets are reconstructed in the areas that is needed. In order to keep up with the street program staff is having to contract out a lot of the work. There are two construction crews in water and only one in wastewater currently. Another crew has been approved but takes time to get the equipment and manpower in place. Council added about \$44 million of additional bond funding to the street program. Martin anticipates always having to hire contractors to a certain level. The longer and larger projects will be contracted out.

Board Member Jackson asked what the impact to the schedule of this project and secondly would other projects that were planned slip in the schedule.

Martin answered there is a 2012 Street only bond program and a 2014 bond program. This has added this year \$6 million of street improvements to the schedule. The slow part is the utility replacement. Staff looks to see if there are no utility replacements and which staff can accomplish without contractors. There is a schedule to perform a combination of both. Our in-house crew has a full slate of projects that they are working on. The utilities is hard pressed to keep pace with the \$6 million of street projects. Both in house and contracts will be used to accomplish these projects. Weekends are being worked as well by city staff.

Chair Robinson asked if higher cost would be seen because it is contracted out. Martin stated more cost will be seen because of the street program.

Board Member Carroll asked if the street projects are destroying the utility infrastructure underneath or is the City taking advantage of replacing while the streets are being worked on. Martin answered all the systems are on GIS and staff knows the age and history as it relates to infill/inflow and main breaks. If a street section is going to be replaced it makes sense to replace the underground utilities first.

A motion was made to approve this item by Board Member Russell with a second by Board Member Parker, Vote 7-0.

ITEMS FOR INDIVIDUAL CONSIDERATION:

- B. PUB15-016 Consider recommending approval of the Public Utilities Board meeting minutes of August 28, 2015.

Approved as circulated

- C. PUB15-010 Receive an update from DME staff, hold a discussion, and consider changes to proposed Schedule Residential Time of Use (RTOU) to the electric rate ordinance.

William A. Bunselmeyer, Energy Services & Bus Development Mgr., gave the presentation for this item. The time of use rate was brought to this Board along with all the rate packages in July of this year. In the rates there was a proposal for time of use rate for residential customers. It was discussed a way of curbing human behavior, getting people to not use so much electricity at peak times during the summer months. This would reward them with cheaper prices during the nights and evenings there is a lot of technology available for this.

To be clear currently all hours are considered on-peak. This new technology will not be available to all, it will depend on smart meters.

Staff recommends to approve the proposed verbiage for Schedule RTOU. This will go before City Council on September 15, 2015 with the full rate pages for approval.

Russell asked about the facility charge. Bunselmeyer answered it handles all the cost associated with metering, billing and customer service. This is the portion that will be on the bill whether there is high usage or no usage.

A motion was made to approve this item by Board Member Jackson with a second by Board Member Russell, Vote 7-0.

CLOSED MEETING

A. PUB15-005 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, deliberate and provide Staff with direction.

B. PUB15-006 Certain Public Power Utilities: Competitive Matters - Under Texas Government Code, Section 551.086; and Consultation with Attorneys - Under Texas Government Code Section 551.071.

Receive a briefing and presentation from Denton Municipal Electric ("DME") staff regarding certain public power competitive, financial and commercial information relating to issues regarding the proposed Professional Services Agreement (the "Agreement") by and between the City of Denton, Texas and Burns & McDonnell Engineering Company, Inc., Kansas City, Missouri, regarding contractual matters that deal with plans, studies, proposals and analyses for system improvements to the Denton Municipal Electric system, said Agreement in the amount of \$395,652, is in addition to the original contract in the amount of \$264,648, not to exceed an aggregated contract total of \$660,300. Consultation with the City's attorneys regarding legal issues associated with the Agreement where a public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or would jeopardize the City's legal position in any administrative proceeding or potential litigation. Discuss, deliberate, provide staff with direction, consider approval and take final action on said Agreement.

C. 15-007 Certain Public Power Utilities: Competitive Matters - Under Texas Government Code, Section 551.086; and Consultation with Attorneys - Under Texas Government Code Section 551.071.

Receive a briefing and presentation from Denton Municipal Electric ("DME") staff regarding certain public power competitive, financial and commercial information relating to issues regarding the proposed three-year Professional Services Agreement (the "Agreement") by and between the City of Denton, Texas and Teague Nall & Perkins, Inc. regarding contractual matters that deal with plans, studies, proposals and analyses for system improvements to the Denton Municipal Electric system, said Agreement in the amount of \$470,000, is in addition to the original contract in the amount of \$450,000, not to exceed an aggregated contract total of \$920,000. Consultation with the City's attorneys regarding legal issues associated with the Agreement where a public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or would jeopardize the City's legal position in any administrative proceeding or potential litigation. Discuss, deliberate, provide staff with direction, consider approval and take final action on said Agreement.

D. 15-008 Certain Public Power Utilities: Competitive Matters - Under Texas Government

Code Sec. 551.086.

Receive competitive public power electric information, including financial information from staff pertaining to Denton Municipal Electric (“DME”) electric service rate issues and strategies, including without limitation, the Energy Cost Adjustment (“ECA”) and Renewable Cost Adjustment (“RCA”) rates and other related matters; and discuss, deliberate, provide Staff with direction, consider, and determine policy regarding such matters.

OPEN MEETING

D. PUB15-015 ACM Update

a) New Business Matrix

b) 3rd Quarter Report

CONCLUDING ITEMS

A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the Public Utilities Board or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda..

Adjournment 10:36 a.m.