

**MINUTES**  
**PUBLIC UTILITIES BOARD**  
September 28, 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 28, 2015 at 8:30 a.m. in the City Council Chambers, City of Denton City Hall, 215 E. McKinney Street, Denton, Texas.

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

Ex Officio Members: Howard Martin, ACM Utilities

Absent: George Campbell City Manager

**CLOSED MEETING**

A. PUB15-028 Consultation with Attorneys --- Under Texas Government Code, §551.071.

Receive a status report from the City's Attorneys regarding pending litigation entitled City of Denton, Texas v NRG Power Marketing, LLC, Cause No. 15-01404-16, in the 16th Judicial District Court in and for Denton County, Texas; discuss, deliberate and provide staff with direction.

B. PUB15-003 Deliberations regarding Real Property - Under Texas Government Code Section 551.072; Consultation with Attorneys - Under Texas Government Code Section 551.071.

Receive information from staff, discuss, deliberate, and provide staff with direction regarding the potential acquisition of real property interests located in Denton, Denton County, Texas, for the construction, expansion and use of electric power transmission lines, beginning at the North Lakes Substation of Denton Municipal Electric and proceeding east along Riney Rd, then turning north along Nicosia St., then east along W. Hercules Lane and terminating at the Denton North Substation of Denton Municipal Electric. Consultation with the City's attorneys regarding legal issues associated with the acquisition of the real property interests described above 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.

C. PUB15-023 Deliberations regarding Real Property - Under Texas Government Code Section 551.072; Consultation with Attorneys - Under Texas Government Code Section 551.071.

Receive information from staff, discuss, deliberate, and provide staff with direction regarding the potential acquisition of real property interests located along both the east and west sides of Bernard St. between Eagle Drive to the north and Collins Street to the south, in the City of Denton, Texas. Consultation with the City's attorneys regarding legal issues associated with the acquisition of the real property interests described above 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. [Eagle Substation]

**The closed meeting was adjourned to go to the City Council Chambers.**

**The meeting was called to order by Chair Randy Robinson at 9:03am**

## **OPEN MEETING**

### **PUBLIC HEARINGS**

- A. PUB15-002     Hold a public hearing and consider making a recommendation of approval to the City Council regarding the proposed sites for construction, expansion, and use of an electric power transmission /distribution substation located along both the east and west sides of Bernard St. between Eagle Drive to the north and Collins Street to the south, in the City of Denton, Texas, as part of Denton Municipal Electric's service territory; discuss, deliberate, provide staff with direction, and make a recommendation.

Phil Williams, General Manager DME, made the presentation for this item. This is the Eagle Substation item that has been in discussion this year. There are two problems that cause the need for the substation, one is growth and the infrastructure has to be built to handle that growth. There are many new and repurposed buildings under construction in Denton as well as all over Texas. There are many areas that use to be single family that are now multi-family and use much more electricity.

The other problem is aging infrastructure. The inner transmission loop in Denton was built in 1962 to 1963. It is over 50 years old and needs to be replaced.

DME has a responsibility as the electric provider for Denton but also a regulatory responsibility. The Federal Energy Regulatory Commission requires Denton to perform Form 715 Study.

DME has a public involvement process and have looked at multiple options for this project. There have been multiple opportunities for the public to provide input. This has been on the website since March. There have been two open houses, this is the first public hearing. If this item moves forward there will be another public hearing at a City Council Meeting in October.

The recommendation is for an apartment complex at 911 Bernard Street, University Place

Apartments. This land owner is a willing seller, and that is always preferred over imminent domain.

Williams then showed a map with the Hickory Substation to Locust Substation included. Site option maps were shown as well. After the first open house it was suggested other sites be looked at and the commercial property at Eagle and Bernard was looked at. However, a regular substation would not fit on that area, an additional property would have to be purchased. In looking at all options there was an option that would fit, the Gas Insulated Substation. This equipment uses SF6 gas. It is not used frequently in this area. Austin Energy has two, Oncor doesn't have any and CenterPoint Energy in Houston has one. It is a much smaller footprint meaning it would require less land. The equipment for this cost twice as much. It allows for putting high voltage electricity in a confined space. DME does not have any training on this technology and would have to have that training. If something happened without that training, DME would be dependent on an outside vendor to provide assistance.

Ten days ago staff had an apartment owner approach them being a willing seller at 911 Bernard. Staff started the design work to see if it would fit and it will fit and has some advantages over other sites.

Public involvement steps to date include:

3/20/15 – Online Survey Forms and Project Information available to Public.

5/20/15 – Public Open House #1 held at Civic Center.

6/25/15 & 6/29/15 – PUB & CC sessions to discuss Open House results and received direction to hold another Open House with additional options.

7/23/15 – Public Open House #2 held at Calhoun Middle School.

9/28/15 – PUB Public Hearing

Notifications were mailed out to anyone that was within 500 feet of the options. Open house #1 had 628 notifications mailed and open house #2 had 897 notification mailed. Number of attendees at the first meeting was 73 and the second meeting 28. The first meeting yielded 31 comment forms filled out and 9 filled out at the second meeting. None of the comment forms came from 911 Bernard Street.

The substation site option estimates are for the Collins St./Bernard St. (2.4 acres) for real estate are \$5.35 million, Eagle Dr./Bernard St. (2.9 acres) \$16.05 million, Eagle Dr./Bernard St. (1.75 acres) GIS \$5.05 million and 911 Bernard (3.25 acres) \$9 million. The GIS option requires less land but the equipment cost is \$16.4 million compared to \$8.4 million for the standard equipment. Again there is a willing seller at 911 Bernard. Williams and staff has met with the other land owners and they are not willing sellers. Staff would not recommend imminent domain proceedings. Staff would not normally recommend a site with that many residential units but these tenants are short term leases six to nine month corresponding with semester terms.

In conclusion, there is a problem, DME has a responsibility to respond, going through the public involvement process, and there is a staff recommendation of 911 Bernard Street.

**Chair Robinson stated the original site at Collins and Bernard and 911 Bernard are about \$3.5 million different. There would be relocating cost associated with 911 Bernard and that is variable. The quicker this substation can get on the ground and running the better we will be because of reliable and the TCOS advantage.** Williams agreed the time going through imminent domain would add months to the process and by being able to get the project on the ground sooner it can be filed with the Public Utility Commission and receive transmission rates to start reimbursing for the cost.

The Public Hearing was then open to the public for their comments:

1. Richard Cooper – 201 Royal Oaks Court – Stated he did not receive notification of this public hearing, did receive an email. Owns four properties within the 500 foot area. Opposed to the substation on his property and 911 Bernard. Is in favor of the GIS substation. Would like UNT to take more of a role in this substation and provide the land.

**Vice Chair Gallivan stated he has a hard time getting past the cost of the GIS substation, could be first used in an area that is not as critical as UNT area. The substations we have we build them well and they work well for DME.**

2. Kyle Goodman – 915 W. Collins – Opposed in this area. Would encourage more money to be spent on the GreenSense Program. It is highly underutilized. Suggested solar panels to citizens for reduction of energy. City is overbuilt on apartments versus houses.

**Member Carroll asked how Goodman heard about the GreenSense program.** Goodman answered he googled it and as a landlord he can use all those programs. Suggested putting money toward it for marketing.

3. John Littman – 111 Alan-A-Dale Circle – Owns property on the corner of Bernard and Fannin. Is in opposition of the whole block of Bernard, Collins, Fannin and Peak. Received an email regarding the public hearing but did not receive any other notice. Doesn't know of many that were notified. Littman purchased the property to provide for him in retirement. He has partial plans for a 12 unit apartment building on the corner of Bernard and Fannin. Has had two meeting in the Planning Department and this was never mentioned. His property is not for sale.

**Chair Robinson asked if Mr. Littman was opposed to 911 Bernard.** Littman answered 911 Bernard would be satisfactory with him.

**Robinson they stated that this Board is an advisory board and will make a recommendation. Council has the final authority.**

4. John Reed – 910 W. Collins – Not for sale. Was not notified of this meeting. Would like to look more at the GIS Technology.
5. Steve Stone – 6827 Freeman Rd, Krum – Has knowledge of the investor residents in this

area. Was involved with John Littman and his property purchase. A site plan for the building and lot has been put together. Glad 911 Bernard has been chosen.

6. Dr. Ara Minassian – 115 Tanglewood Lane, Double Oak – Owns property at 1015 Peak Street. In favor of 911 Bernard Street. He is not in favor of taking his property. In favor of a willing seller. A buffer needs to be considered for site chosen. Consider GIS Technology. He is also in support of the Green Sense Program, would like supplements on that program. Streamline acquisition of solar panels.

**Chair Robinson stated he has a card from Craig Irwin, owner of 911 Bernard that is present and is a willing seller and in support of the recommendation.**

**Robinson closed the Public Hearing portion at 9:46am.**

**Robinson asked for questions from the Board. Board Member Carroll stated that several of the speakers mentioned they did not receive notification. Then asked for someone to describe the process.** Brian Daskam, Key Accts Energy Efficiency & Sustainable Mgr, stated that for all the open house meetings and the public hearings a mailed notification sent out to any resident of property that is considered as well as property owners within 500 feet of a property that is being considered. They are generally mailed 10-14 days prior to the meeting. **Carroll asked where the addresses for residents and owners are pulled from.** Daskam answered for residents they are labeled resident with the address, for owners it is generated from the Denton Central Appraisal District. **Member Bynum asked what the mailer looked like.** Daskam answered they have gone back and forth on this they do not want it to look like junk mail so they have settled on a standard envelop with the City and DME logo on it. **Board Member Parker asked if it is noticed in the paper.** Daskam answered it is. **Board Member Russell asked where the email addresses are acquired from.** Daskam answered in this case there is a forum on the website where people can register, it was also sent out of Twitter.

John Littman – reiterated his desire to use the corner of Bernard and Eagle to rid the area of an eyesore and to use the GIS technology.

Dr. Minassian stated he did not receive any notification and suggested a quick survey to see if anyone received notification.

**Vice Chair Gallivan apologized for not receiving notification, staff works hard to make sure all that are effected are notified. Maybe there are ways to improve on that process.**

Littman and Cooper reiterated they did not receive notifications did receive them on prior meetings.

Brian Daskam stated he has information. He has not been able to discuss this with his bosses, but he just received information. The process is DME uses a local mailing house. A list of names and addresses are sent to them and they send back a confirmation that the mailing was taken care of. There were many comments regarding not receiving the notification. Daskam e-mailed the mailing house to verify the mailing did happen, he had received a confirmation. An

e-mail was just received they apologized but this was not sent out. That confirms what all the speakers have been saying. This is disappointing to hear.

Phil Williams proposed to postpone the vote until another mailing can be taken care of for the next meeting on PUB Meeting on October 12.

**Chair Robinson apologized for the mailing problems and thanked the people that did make it.**

**Board Member Russell made the motion to postpone the vote until the next meeting of October 12 second from Board Member Bynum. Vote 7-0.**

### **CONSENT AGENDA**

- A. PUB15-018 Consider recommending approval of IFB 5877 to Dickerson Construction Company in the amount of \$1,002,073.00 for the construction of the Country Club MHP, Nettie Schultz Park and Woodhaven St. Sanitary Sewer Replacements project.
- B. PUB15-019 Consider recommendation of an ordinance accepting competitive proposals and awarding a contract for printing and mailing services of the City of Denton's utility bills, providing for the expenditure of funds therefor; and providing an effective date (RFP 5815 - awarded to Ancor Information Management LLC., dba Utilitec, in the three (3) year not-to-exceed amount of \$1.3 million).

**Motion was made to approve items A and B by Board Member Bynum with the second by Board Member Russell. The vote was 7-0 approved.**

### **ITEMS FOR INDIVIDUAL CONSIDERATION**

- A. PUB15-021 Consider recommending approval of the Public Utilities Board Meeting minutes of September 14, 2015  
**Approved**
- B. PUB15-022 ACM Update
  - a. ERCOT Wind News
  - b. Matrix

### **CONCLUDING ITEMS**

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 10:02 a.m.**