

MINUTES
PUBLIC UTILITIES BOARD

January 25, 2016

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, January 25, 2016 at 9:02 a.m. in the Service Center Training Room at the Service Center, 901 A Texas Street, Denton, Texas.

Present: Chair Randy Robinson, Barbara Russell, Lilia Bynum, Charles Jackson, Brendan Carroll and Susan Parker

Absent: Vice Chair Phil Gallivan

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

PUBLIC HEARINGS

- A. PUB16-001** Hold a public hearing and consider recommending that the City Council adopt a resolution regarding the proposed site for construction, expansion, and use of an electric power transmission /distribution substation located generally south of the 2400 Block of Shady Oaks Drive, in the Mary Austin Survey, Abstract number four, in the City of Denton, Texas; as part of Denton Municipal Electric's service territory. [Brinker Substation]

Attachments: Exhibit 1 - Project Information Sheet for Brinker Substation
Exhibit 2 - DME System Substation Map
Exhibit 3 - Brinker Substation TM Line Easements Map
Exhibit 4 - Brinker Substation Site Map

Brent Heath gave the overview presentation including maps regarding this item.

There was one citizen in attendance.

Chair Robinson opened the meeting for public comment.

Kenneth Horn – asked if this would affect his property, he lives close to Spencer Road and the American Legion Hall.

Heath answered it would not affect his property.

There were no other speakers and Robinson closed the Public Hearing portion.

Board Member Russell asked if the property owners are in agreement with the site. Heath stated all has been accomplished on this item is in correlation with them. DME will continue to negotiate the contents of the agreement. This process today allows for DME to get an appraisal of the property. If there is no agreement staff can start with the Senate Bill 18 process and work on both at the same time.

Board Member Carroll asked if the negotiations are close. Heath answered they have gone back and forth a few items. The landowner wants to package it with other items.

Motion was made by Board Member Russell to recommend this site selection, second by Board Member Parker. Vote 6-0 approved.

OPEN MEETING

CONSENT AGENDA

A. PUB16-011

Consider recommendation of approval of an amendment to the multi-year Professional Services Agreement for an amount not to exceed \$520,000 between Denton Municipal Electric (DME) and ReSolved Energy Consulting, LLC (REC) for DME's energy consulting needs to meet the demands of an ever-changing energy market.

Attachments: Exhibit 1 - Scope of Work

Board Member Russell asked if we have worked with this company before. William A. Bunselmeyer answered they have been the primary energy consultants since 1999 but were under RJ Covington. This is an amendment to an existing Professional Services Contract.

Motion was made by Board Member Russell, second by Board Member Bynum with a vote 6-0 approved.

B. PUB16-012

Consider recommending an ordinance of the City Council of the City of Denton, Texas, authorizing the City Manager to execute a professional services agreement for architectural, structural, mechanical, and electrical design services to support the design of the new City of Denton Regional Home Chemical Collection Facility to be located at 1527 South Mayhill Road; providing for the expenditure of funds therefor; and providing an effective date (File 5906 awarded to Nelson + Morgan Architects, Inc. in the not-to-exceed amount of \$239,935).

Attachments: Exhibit 1- Professional Services Agreement
Exhibit 2- Ordinance

Howard Martin clarified on B the original ordinance in the back-up had the wrong number, \$201,905 should have been \$239,935. The correction was handed out to the members.

Board Member Russell asked if this was put out for bids. Scott Lebsack stated it was not, staff has worked with this firm before and purchasing allows it. Michael Copeland stated that it is an exception to competitive bidding.

Board Member Russell motioned to approve and Board Member Jackson seconded, vote 6-0 approved.

C. PUB16-013

Consider recommending adoption of an ordinance of the City of Denton, Texas providing for, authorizing, and approving the expenditure of funds for the purchase of a three year service contract from PerkinElmer Health Sciences, Inc. for the maintenance of the Perkin-Elmer ELAN9000 Inductively Coupled Plasma Mass Spectrometer (ICP-MS) being operated by the Municipal Lab. Service on this specialized instrument is available from only one source and, in accordance with Chapter 252.022 of the Texas Local Government Code, such purchases are exempt from the requirements of competitive bidding; and providing an effective date (File 6047- PerkinElmer Contract the annual estimated amount of \$29,500 for a three year total not to exceed \$88,016.40).

Attachments: Exhibit 1 - Sole Source Letter
Exhibit 2 – Quote

Board Member Russell asked if we have other equipment by PerkinElmer. Fritz Schwalm, Laboratory Manager, stated we have had this instrument for over ten years and do not have any other PerkinElmer equipment. They do not intend on replacement it is functioning property. The service contract is critical in the long term it saves money, replacement parts are very expensive.

Russell then asked if it has been considered contracting with TWU or UNT about this. In the past they have run samples. Schwalm answered Wastewater maintains their own quality control and assurance program. Our requirements are actionable for our customers. They also do not have an Environmentally Certified Lab. Our lab will be certified for metals analysis and can bring in more work to our lab.

Board Member Carroll asked what is the replacement cost. Schwalm answered new it would be \$200,000. Longevity is 15 years.

Board Member Russell motioned to approve and Board Member Carroll seconded, vote 6-0 approved.

D. PUB16-015

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 two (2) trench rollers for the City of Denton Water Distribution Department; and providing an effective date (File 6050-awarded to Kirby Smith Machinery, Inc. in the amount of \$69,736.00).

Attachments: Exhibit 1 - Trench Roller Quotes
Exhibit 2 - Trench Roller Comparison

E. PUB16-017

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) J&J Trailer for the City of Denton Solid Waste Department; and providing an effective date (File 6051-awarded to Rush Truck Center in the amount of \$85,600.00).

Attachments: Exhibit 1 - Trailer Quote

There was a motion by Board Member Bynum to approve items D and E, second by Board Member Jackson vote 6-0 approved.

ITEMS FOR INDIVIDUAL CONSIDERATION

A. PUB16-016

Consider recommending approval of the Public Utilities Board Meeting minutes of January 11, 2016.

Attachments – PUB 1-11-16 Draft Minutes

Approved as circulated

B. PUB16-006

Receive a report, hold a discussion and give staff direction regarding a recommendation to the City Council that it adopt an ordinance accepting competitive proposal(s) and awarding a contract for professional utility line tree trimming services for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFP 5991 - Electric Utility Line Tree Trimming Services for a three (3) year not-to-exceed amount of \$3,849,256.50).

Attachments: Exhibit 1 - Evaluation Sheet
Exhibit 2 - Tree Trimming Presentation

Brent Heath, Exec Mgr. of Energy Delivery, introduced Brad Watts, DME Line Superintendent. Watts gave the Transmission and Distribution Vegetation Management Program presentation.

The overview included safety, minimize tree-related outages, maintaining positive relations with customers, use sound environmental practices and comply with NERC standards.

Watts also showed maps and photographs during his presentation.

Summary:

Tree related outages have been reduced 61% since 2009

DME continues to maintain reliable T&D systems, with great customer service

DME's infrastructure continues to improve and expand thru feeder extension projects, new transmission lines, and new substations

Tree Trimming is needed to address new vegetation growth due to over 20 inches of rain during 2015, and due to new capital improvement projects: DME recommends adopting this new vegetation management RFP plan that has options to renew for additional years. The annual estimated contract is \$1,283,085.50, with a full three year renewal amount that will not exceed \$3,849,256.50.

Bynum asked if there are complaints. Watts answered there are both. People want their trees but sometimes are planted in the wrong spot. Staff works with the customers extensively. Bynum asked how expensive it is to go underground with utilities. Heath answered in new residential areas, it is now required. In existing areas it is accomplished as much as possible and as funds are available.

Jackson asked how many bids there were. Watts answered only one this year.

There was a motion by Board Member Parker to approve items B, second by Board Member Bynum vote 6-0 approved.

C. PUB16-014

Receive a report on the wastewater collection system asset management program and use for regulatory compliance.

PS Arora gave the presentation and talked about the asset management implementation which includes:

- ESRI GIS
- Pipeworks/Cityworks CMMS
- Hydroworks/Infoworks Capacity Models
- WERF SCRAPS Prioritization Model
- CapPlan/Infomaster Asset Management Model
- Operations staff buy in
- Addition of IT/Database professional
- CMOM Program

Justin Diviney, Wastewater Collections Manager, also spoke on the benefits of the program. Howard Martin added that it was a challenge to CCTV the clay piping that was in the ground. This has been accomplished with this methodology for the Administrative Order. It has helped refocus on the financial aspect and remove some of the revenue funded capital expense that was targeted.

D. PUB 16-018

ACM Update:

1. New Business Matrix

No change

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.

Election for secretary of the Public Utilities Board Meeting.

There was discussion regarding City Council Members and if they can attend Public Utilities Board Closed Agenda items.

Adjournment 10:38 a.m.