

**MINUTES**  
**PUBLIC UTILITIES BOARD**  
July 11, 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, July 11, 2016 at 9:04a.m. in the Service Center Training Room at the City of Service Center, 901 A Texas Street, Denton, Texas.

Present: Chair Randy Robinson, Vice Chair Phil Gallivan, Lilia Bynum, and Charles Jackson

Ex Officio Members: Howard Martin, ACM Utilities

Absent: Barbara Russell Brendan Carroll and Susan Parker

**OPEN MEETING**

**CONSENT AGENDA**

- A. PUB16-141** - Consider recommending adoption of an ordinance approving a Pipeline Crossing contract by and between the City of Denton, Texas and the Kansas City Southern Railway company relating to the location of a sanitary sewer pipeline within railroad right-of-way, located at mile post 99.98, Alliance subdivision within the County and City of Denton Texas; and providing an effective date. [Pipeline Crossing Agreement for the installation of a sanitary sewer line that benefits the new development of Ryan Meadows Addition].
- B. PUB16-143** - Consider a recommendation that the City Council approve an ordinance of an interdepartmental transfer and conveyance wherein Denton Municipal Electric is purchasing and acquiring approximately 14.511 acres of land from the City of Denton Solid Waste Department, the present record owner thereof, being a tract of land situated within Lot GR, Solid Waste 1 addition, in the City of Denton, Denton County, Texas; to be utilized for a public purpose, the expansion of Denton Municipal Electric Mayhill Substation Easement; said purchase price being in the amount of \$1,205,455.35 to be paid to the City of Denton Solid Waste Department, providing an expenditure of funds therefor; and providing an effective date. [Mayhill Substation].
- C. PUB16-149** - Consider recommending approval of a three year contract with Contract Services and Equipment for fiber optic installation service for the City of Denton not to exceed \$1,200,000.
- D. PUB16-153** - Consider recommending adoption of an ordinance accepting proposals and awarding a contract through the Buy Board Cooperative Purchasing Network for the acquisition of one (1) 2016 Peterbilt model 567 Roll Off Refuse Truck for the City of Denton Solid Waste Department; and providing an effective date (File 6183-awarded to Rush Truck Center, Crane in the amount of \$189,844).
- E. PUB16-156** - Consider a recommendation that the City Council approve an Ordinance accepting competitive proposals and awarding a contract for an annual Cyber Vulnerability Assessment relating to Denton Municipal Electric's information network and control

systems; providing for the expenditure of funds therefor; and providing an effective date (RFP 6110-awarded to Corporate Risk Solutions, Inc. (CRSI) in the three (3) year not-to-exceed amount of \$101,000)

**Board Member Gallivan motioned to approve items A - E. There was a second by Board Member Jackson. Vote 4-0 approved.**

### **ITEMS FOR INDIVIDUAL CONSIDERATION**

**A. PUB16-150 - Consider recommending approval of the Public Utilities Board Meeting minutes of June 27, 2016.**

Approved as circulated

**B. PUB16-103 - Receive a report and hold a discussion on the proposed Fiscal Year 2016 - 2017 Solid Waste & Recycling Department Rate Ordinance.**

Vance Kemler gave the PowerPoint presentation and started with the Residential Service Rates. Kemler talked about the problems they have encountered with the small carts. They have been phasing them out for five years and are now offering standard and large carts with a fifty cent increase. Gallivan asked how much the .50 per cart increase would be annually. Kemler answered there is 15,000 carts.

Commercial Service Rates for the front load containers will increase by 3.2 percent, with roll off containers increase at 2.5 percent. Disposal and Processing Service Rates will not increase.

Board Member Bynum asked if there was any push back about not having the small cart any longer. Kemler answered only a few complaints with only two main complaints. One complaint is the thought that a bigger cart is harder to maneuver and the other not enough waste to fill up a cart. Robinson asked about programs for people with disabilities. Kemler answered there is a Mobility Impairment Service Program where the cart is moved from where the homeowner has it placed, taken and unloaded and then returned to the original spot. This can be for a short period of time or long term.

**C. PUB16-147 - Receive a report; hold a discussion and give staff direction on the proposed Wastewater Rates for FY 2016-2017.**

PS Arora gave the PowerPoint presentation stating there would be a two percent increase on wastewater. The rate study called for more to go toward the facility charge.

On residential the average facility charge will be increased by 2.7 percent and the volume by 1.3 percent.

On commercial the increase is about two percent for facility charge and volume charge.

Residential comparisons with other cities were shown on a graph.

Commercial increase and comparisons were then shown.

Martin reminded the Board that the comparisons would be brought back in November when the other utilities have had a chance to change their rates.

**D. PUB16-151 - Receive a report; hold a discussion and give staff direction on the proposed Water Rates for FY 2016-2017.**

Tim Fisher talked about this item with a PowerPoint presentation.

There are two options: Option 1 is a modified cost of service increase and Option 2 is an across the board increase. The average summer residential monthly bill at 9,200 gallons is \$51.96, Option 1 would be \$54.18 and Option 2 would be \$54.55.

The comparisons of both options were shown on a graph with other cities. There was some discussion regarding the facility charge. Martin added that in the rate study by Burton they had suggested the facility charge needed to be roughly 30 percent of the total revenues. We are currently on the low end of that at 22 percent. This is one of the reasons that the two options are being discussed.

Robinson added that he believes most of the customers understand the facility charge.

Commercial was then presented. Fisher added that staff is recommending Option 1. The biggest difference is the facility charge on larger meters. They have been capped at a ten percent component. There are only 27 customers in the six, eight and ten inch meter class.

Robinson asked the average size meter for Commercial. Fisher answered by far it is below two inch.

The comparisons on water bills was shown along with the other city comparisons.

The rate ordinance will be designed with Option 1 since there was no opposition and that is staff's recommendations.

**With no further questions, the meeting went into a Closed Session.**

**CLOSED MEETING**

**A. PUB16-115 - Deliberations Regarding Certain Public Power Utilities: Competitive Matters - Under Texas Government Code §551.086.**

Receive competitive public power competitive information and financial information from staff regarding the proposed FY 2016-2017 operating budget for Denton Municipal Electric ("DME") including without limitation, proposed rates for DME for FY 2016-2017, expected revenues, expenses, commodity volumes, and financial commitments of DME. Discuss, deliberate and provide staff with direction.

**B. PUB16-142 - 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 the east side of Bernard St. between Eagle Drive to the north and Collins Street to the south, in the City of Denton, Texas; where discussions had, deliberation, and direction given in an open meeting would

have a detrimental effect on the position of the governmental body in negotiations with a third party. Consultation with the City's attorneys regarding legal issues associated with the acquisition of the real property interests described above; where 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]

**C. PUB16-148 – 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 and discuss, deliberate, and provide staff with direction regarding the potential acquisition of real property interests related to the location and siting of electric transmission lines in an area bounded by Fort Worth Drive and Elm St. (western boundary), Robertson Street (northern boundary), the DART/D.C.T.A rail corridor (eastern boundary), Inman St. with an easterly projection to Spencer Rd. (southern boundary) and being located within the W. Loving Survey, Abstract No. 759; the H. Sisco Survey, Abstract No. 1184; the S. Hiram Survey, Abstract No. 616; the W. Teague Survey, Abstract No. 1266; the M. Austin Survey, Abstract No. 4; the J. Taft Survey, Abstract No. 1256; the R. Hopkins, Abstract No. 1694; and the A. Hill Survey, Abstract 623, lying within the City of Denton, Denton County, Texas. Consultation with the City's attorneys regarding legal issues associated with the acquisition of the real property interests described above where a discussion of these legal matters in an open meeting 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, or where discussions had, deliberation, and direction given, by the Denton City Council in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third party. [Spencer to Locust Transmission Route]

**D. PUB16-155 - Deliberations Regarding Certain Public Power Utilities: Competitive Matters - Under Texas Government Code Section 551.086**

Receive a presentation from staff regarding public power competitive and financial matters related to the City's participation in, and the overall operational and financial aspects of, the Texas Municipal Power Agency; discuss and deliberate strategies regarding same; discuss, deliberate and provide staff with direction. [TMPA].

**OPEN MEETING**

**B. PUB16-152 - ACM Update**  
1. Matrix

**Matrix no changes**

**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.

**No new items.**

**Adjournment 10:52 a.m.**