



# City of Denton

City Hall  
215 E. McKinney St.  
Denton, Texas 76201  
[www.cityofdenton.com](http://www.cityofdenton.com)

## Meeting Agenda Public Utilities Board

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**Monday, July 25, 2016**

**9:00 AM**

**Service Center Training Room**

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After determining that a quorum is present, the Public Utilities Board of the City of Denton, Texas will convene in a meeting on Monday, July 25, 2016 at 9:00 a.m. in the Service Center Training Room at the City of Denton Service Center, 901-A Texas Street, Denton, Texas at which the following items will be considered:

The Public Utilities Board (PUB) will convene in a Closed Meeting to consider specific items when these items are listed below under the Closed Meeting section of this agenda. When items for consideration are not listed under the Closed Meeting section of the agenda, the PUB will not conduct a Closed Meeting and will immediately convene its open meeting. The PUB reserves the right to adjourn into a Closed Meeting on any item on its open meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

### **PUBLIC HEARINGS**

- A. [PUB16-157](#) 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 in the southwest area of the City of Denton, north of Farmer to Market Road 2449, east of John Paine Road, south of Springdale Drive (on Hickory Creek), west of Interstate 35W; in the City of Denton, Texas; as part of Denton Municipal Electric's service territory. (Underwood Substation)

**Attachments:**      [Exhibit 1 - Underwood - location map](#)  
                                 [Exhibit 2 - DME Substation Locations](#)  
                                 [Exhibit 3 - Project Information for Underwood Substation](#)

- B. [PUB16-159](#) Hold a public hearing and consider recommending that the City Council adopt a resolution regarding the proposed site for construction, expansion, and use of the electric power transmission line located 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; as part of Denton Municipal Electric's service territory. (Spencer to Locust Transmission Line)

Attachments:      [Exhibit 1- Spencer to Locust TM Line Options Map](#)  
                              [Exhibit 2 - DME Transmission Line Locations](#)  
                              [Exhibit 3 - Project Information Sheet for Locust to Spencer](#)  
                              [Exhibit 4 - Public Hearing Notification Mailing List](#)

## CLOSED MEETING

- A.    [PUB16-116](#)    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, a proposed FY 2016-2017 DME rate ordinance, expected revenues, expenses, commodity volumes, and financial commitments of DME; discuss, deliberate, provide staff with direction, consider and make a final recommendation to the Council regarding this matter.

- B.    [PUB16-145](#)    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 located in Lot 1, Block 2 of the Municipal Utility Addition as shown by the plat thereof recorded in Cabinet G Page 346 of the P.R.D.C.T., in the City of Denton, Denton County, Texas; where discussion had, deliberation, and direction given, by the Denton Public Utilities Board 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; 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 Public Utilities Board 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. [Brinker Substation]

- C.    [PUB16-162](#)    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.

- D. [PUB16-165](#) Deliberations Regarding Certain Public Power Utilities: Competitive Matters --- Under Texas Government Code Sec. 551.086; Consultation with Attorneys --- Under Texas Government Code Sec. 551.071.

Receive competitive public power information and financial information from staff regarding approval of the Genscape, Inc., a Delaware Corporation, "Master License and Services Agreement (North America)," being a three-year agreement, and being a sole-source acquisition which is exempt from the requirements of competitive bidding under the provisions of Section 252.022, Texas Local Government Code, for software relating to bidding and pricing information for purchased power, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services for purposes of supporting the Energy Management Organization of DME; discuss, deliberate, provide staff with direction, consider and take final action, making a recommendation regarding said Agreement. Consultation with the City's attorneys regarding legal issues associated with the above acquisition 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.

ANY FINAL ACTION, DECISION, OR VOTE ON A MATTER DELIBERATED IN A CLOSED MEETING WILL ONLY BE TAKEN IN AN OPEN MEETING THAT IS HELD IN COMPLIANCE WITH TEXAS GOVERNMENT CODE, CHAPTER 551, EXCEPT TO THE EXTENT SUCH FINAL ACTION, DECISION, OR VOTE IS TAKEN IN THE CLOSED MEETING IN ACCORDANCE WITH THE PROVISIONS OF §551.086 OF THE TEXAS GOVERNMENT CODE (THE 'PUBLIC POWER EXCEPTION'). THE PUBLIC UTILITIES BOARD RESERVES THE RIGHT TO ADJOURN INTO A CLOSED MEETING OR EXECUTIVE SESSION AS AUTHORIZED BY TEX. GOV'T. CODE, §551.001, ET SEQ. (THE TEXAS OPEN MEETINGS ACT) ON ANY ITEM ON ITS OPEN MEETING AGENDA OR TO RECONVENE IN A CONTINUATION OF THE CLOSED MEETING ON THE CLOSED MEETING ITEMS NOTED ABOVE, IN ACCORDANCE WITH THE TEXAS OPEN MEETINGS ACT, INCLUDING, WITHOUT LIMITATION §551.071-551.086 OF THE TEXAS OPEN MEETINGS ACT.

## REGULAR MEETING

Following the completion of the Closed Meeting, the Public Utilities Board will convene in a Regular Meeting at which the following items will be considered:

## CONSENT AGENDA

Each of these items is recommended by the Staff and approval thereof will be strictly on the basis of the Staff recommendations. Approval of the Consent Agenda authorizes the Assistant City Manager of Utilities or his designee to implement each item in accordance with the Staff recommendations. The Public Utilities Board has received background information and has had an opportunity to raise questions regarding these items prior to consideration.

Listed below are bids, purchase orders, contracts, and other items to be approved for payment of other action under the Consent Agenda (Agenda Items A – C). This listing is provided on the Consent Agenda to allow Public Utilities Board Members to discuss or withdraw an item prior to approval of the Consent Agenda. If no items are pulled, Consent Agenda Items A – C below will be

approved with one motion. If items are pulled for separate discussion, they may be considered as the first items following approval of the Consent Agenda.

- A. [PUB16-160](#) Consider recommending approval of a three year unit price purchase agreement with Crown Technical Systems for purchase of prefabricated control buildings for substations in an amount not to exceed \$3,530,000. (RFP #6115)

Attachments: [Exhibit 1 - Evaluation Summary for RFP #6115](#)  
[Exhibit 2 - Unit Prices & Estimated Contract Amount](#)  
[Exhibit 3 - Substation Control Building Example \(Pictures\)](#)

- B. [PUB16-161](#) Consider recommending Contract Amendment #1 to the Nelson + Morgan Architects, Inc. professional services contract (File 5906, for \$239,935.00), authorizing the City Manager to execute an amended 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 in the not to exceed amount of \$403,560.63; and providing an effective date.

Attachments: [Exhibit 1 - HCC Facility Additional Professional Services Adjustment 07 25 16](#)

- C. [PUB16-146](#) Consider a recommendation that the City Council adopt an ordinance finding that a public use and necessity exists to acquire fee simple title to a 38.889 acre tract of land situated in the Mary Austin Survey, Abstract No. 4, City of Denton, Denton County, Texas, and being part of a called 27.7488 acre tract of land described in a Deed to Terrano Realty, Inc., as recorded in Document No. 96-010141 of the Real Property Records of Denton County, Texas, and part of a called 318.937 acre tract of land described in a Deed to Staff Realty, Inc., as recorded in Document No. 94-006845 of the Real Property Records of Denton County, Texas, and being known as a part of Lot 1, Block 1 and a part of Lot 1, Block 2 of Municipal Utility Addition, per the Final Plat recorded in Cabinet G, Page 346 of the Plat Records of Denton County, Texas, and also being all of that certain 100 foot wide right-of-way shown as Morse Road on said Final Plat, City of Denton, Denton County, Texas, and of the Real Property Records of Denton County, Texas ("Property Interests"), and to purchase easement rights totaling 7.082 acres on several easement sections on the same properties as shown on the attached Exhibit 1 Brinker Substation and Easements Map, for the public use of, expansion, construction, maintenance, and operation of an electric substation, transmission and distribution lines, ancillary facilities and structures; authorizing the City Manager, acting City Manager, or his designee, to make initial and final offers to execute a contract of sale, between the City of Denton, Texas ("City"), as buyer, and Terrano Realty, Inc., et. al. ("Owner"), as seller, to acquire fee title to the Property Interests for the total purchase price of \$5,288,449.00, and other consideration; authorizing the filing of eminent domain proceedings to acquire the Property Interests if the final offer is not accepted; authorizing the expenditure of funds; and providing an effective date. [Brinker Substation]

Attachments: [Exhibit 1 - Brinker Substation Map](#)  
[Exhibit 2 - Brinker Substation Easements](#)

**ITEMS FOR INDIVIDUAL CONSIDERATION**

- A. [PUB16-166](#) Consider approval of the Public Utilities Board Meeting minutes of July 11, 2016.  
Attachments: [Exhibit 1 - PUB 7-11-16 Draft Minutes](#)
- B. [PUB16-163](#) Hold a discussion and provide a recommendation on the proposed Fiscal Year 2016 - 2017 Solid Waste & Recycling Department Rate Ordinance.  
Attachments: [Exhibit 1 Proposed FY 2017 SW&R Rate Ordinance](#)
- C. [PUB16-164](#) Consider recommending approval of the Water, Wastewater and Miscellaneous Fees Ordinances for FY 2016-2017.  
Attachments: [Exhibit 1 - Water Rates 2017 PUB Presentation](#)  
[Exhibit 2 - FY 2016-2017 Water Rate Ordinance redline 7-5-16 COS](#)  
[Exhibit 3 - 2017 W RATES Comparison](#)  
[Exhibit 4 - Wastewater Rates 2017 PUB Presentation](#)  
[Exhibit 5 - FY 2016-2017 Wastewater Rate Ordinance redline 7-5-16](#)  
[Exhibit 6 - 2017 WW RATES Comparison](#)  
[Exhibit 7 - FY 2016-2017 Miscellaneous Charges redline 7-5-16](#)
- D. [PUB16-167](#) ACM Update:  
1. Rate Increase Summary  
2. Matrix  
Attachments: [Exhibit 1 - Rate increase summary](#)  
[Exhibit 2 - New Business Matrix](#)

**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.

B. Possible Continuation of Closed Meeting topics, above posted.

**CERTIFICATE**

I certify that the above notice of meeting was posted on the bulletin board at the City Hall of the City of Denton, Texas, on the \_\_\_\_\_ day of \_\_\_\_\_, 2016 at \_\_\_\_\_ o'clock (a.m.) (p.m.)

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CITY SECRETARY

NOTE: THE CITY OF DENTON SERVICE CENTER TRAINING ROOM IS HANDICAP-ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE SIGN LANGUAGE INTERPRETERS FOR THE HEARING IMPAIRED IF REQUESTED AT LEAST 48 HOURS IN ADVANCE OF THE SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT A SIGN LANGUAGE INTERPRETER CAN BE SCHEDULED THROUGH THE CITY SECRETARY'S OFFICE.