

**MINUTES**  
**PUBLIC UTILITIES BOARD**

Monday, November 7, 2016

9:00 a.m.

Service Center Training Room

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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, November 7, 2016 at 9:00a.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 Susan Parker, Barbara Russell, Charles Jackson, Brendan Carroll and Allen Bishop

Ex Officio Members: Howard Martin, ACM Utilities

Absent: Lilia Bynum

DME recognized the employees that went to help the states effected by Hurricane Matthew.

**CLOSED MEETING**

**A. PUB16-175-** 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. Take final action on a purchased power agreement with Santa Rita Wind Energy, LLC.

**Russell motioned to approve this item with a second by Parker, vote 6-0.**

**B. PUB16-233-** 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, including a power purchase agreement with Las Majadas Wind Farm, LLC, in order to meet its future energy needs. Take final action on a power purchase agreement with Las Majadas Wind Farm, LLC.

**C. PUB16-238-** 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 from 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, in the City of Denton, Denton County, Texas; where discussion had, deliberation, and direction given, by the Denton Public Utility 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 Utility 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. [North Lakes to Denton North TM Line]

- D. PUB16-240-** 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 to a 2.168 acre tract of land situated in the Gideon Walker Survey, Abstract No. 1330, in the City of Denton, Denton County, Texas; discussion had, deliberation, and direction given, by the Denton Public Utility 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 Utility 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. [Spencer to Pockrus TM Line]

- E. PUB16-243-** 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 pertaining to the potential acquisition of real property interests and being situated in the J.C. Baker Survey, Abstract No. 47, the A.E. Cannon Survey, Abstract No. 232, the J. Fisher Survey, Abstract No. 421, the S. Hembrie Survey, Abstract No. 643, the B. Merchant Survey, Abstract No. 800, the C. Poullalier Survey, Abstract No. 1006, the E. Pickett Survey, Abstract No. 1018, the S.A. Venters Survey, Abstract No. 1315, and the W.E. Penley Survey, Abstract No. 1729, City and County of Denton, Texas, and generally located along FM Highway 2181 (Teasley Lane) the limits of which being bounded to the north by Lillian Miller Parkway and to the south by the drive entrance to Hickory Creek Mobile Home Park. Consultation with the City's attorneys regarding legal issues associated with the potential acquisition or condemnation 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 Public Utility 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. (FM Highway 2181 Utility Relocations project)

## OPEN MEETING

### CONSENT AGENDA

- A. PUB16-218** - Consider recommending adoption of an ordinance awarding a contract to upgrade Supervisory Control and Data Acquisition (SCADA) hardware and software system for Denton Municipal Electric (DME); providing for the expenditure of funds therefor; and providing an effective date (File 4074-SCADA System upgrade for Denton Municipal Electric awarded to Open Systems International (OSI) in the amount of \$527,365).
- B. PUB16-222** - Consider recommending adoption of an ordinance of the City of Denton authorizing the City Manager or his designee to execute a purchase through City of Denton contract for the acquisition of one (1) Refuse Compactor for the City of Denton Solid Waste Department; and providing an effective date (File 6264-awarded to Holt Caterpillar in the amount of \$894,714).
- C. PUB16-225** - Consider recommending adoption of an ordinance of the City of Denton authorizing the City Manager or his designee to execute contract for the acquisition of one (1) Refuse Trailer for the City of Denton Solid Waste Department which are available from only one source and in accordance with Chapter 252.022 of the Texas Local Government Code, such purchases are exempt from requirements of competitive bidding; and providing an effective date (File 6265-awarded to East Manufacturing in the amount of \$68,200).
- D. PUB16-226** - Consider recommending adoption of an ordinance of the City of Denton authorizing the City Manager or his designee to execute a contract through the Buyboard Cooperative Purchasing Network for the acquisition of one (1) Backhoe for the City of Denton Water Distribution Department; and providing an effective date (File 6270-awarded to Holt Caterpillar in the amount of \$123,972.77).
- E. PUB16-227** - Consider recommending adoption of an ordinance of the City of Denton, Texas providing for, authorizing, and approving three (3) year software maintenance for continued vendor support of the Milsoft Interactive Voice Response and associated software modules along with new hardware and software upgrades, which 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 3881 awarded to Milsoft Utility Systems for a three (3) year not-to-exceed amount of \$176,500).
- F. PUB16-229** - Consider recommending adoption of an ordinance of the City of Denton, Texas providing for, authorizing, and approving a purchase of an EMC Vplex system, a disaster recovery component; as approved by the State of Texas Department of Information Resources (DIR-TSO-2634/DIR-TSO-2542); providing for the expenditure of funds therefor; and providing an effective date (File 6271-awarded to Presidio Networked Solutions Group, LLC not-to-exceed amount of \$152,209.11).
- G. PUB16-236** - Consider recommending approval of a sole source Pipe Condition Assessment Service Agreement between the City of Denton and Pure Technologies U.S. Inc., in the total amount not to exceed \$592,740 for the Lake Lewisville Water Treatment Plant 30 inch untreated water transmission pipeline inspection and condition assessment. (File 6281)

- H. PUB16-237** - Consider a recommendation that the City Council adopt an ordinance finding that a public use and necessity exists to acquire fee interest to a 1.851 acre tract of land and easement interests to a 0.851 acre tract of land and a 0.086 tract of land situated in the B.B.B.&C. R.R. Survey, Abstract No. 186, City of Denton, Denton County, Texas, and of the Real Property Records of Denton County, Texas (“Property Interests”), for the public use of, expansion, construction, maintenance, and operation of an electric transmission lines, ancillary facilities and structures, including drainage and access; authorizing the City Manager, acting City Manager, or his designee, to make initial and final offers to execute an easement, between the City of Denton, Texas (“City”), as grantee, and J.F.S. 1992 Irrevocable Trust (“Owner”), as grantor, to acquire the Property Interests for the total purchase price of \$81,230.00, 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. [North Lakes to Denton North TM Line]
- I. PUB16-239** - Consider a recommendation that the City Council adopt an ordinance finding that a public use and necessity exists to acquire easement interests to a 2.168 acre tract of land situated in the Gideon Walker Survey, Abstract No. 1330, City of Denton, Denton County, Texas, and of the Real Property Records of Denton County, Texas (“Property Interests”), for the public use of, expansion, construction, maintenance, and operation of an electric transmission lines, ancillary facilities and structures; authorizing the City Manager, acting City Manager, or his designee, to make initial and final offers to execute an easement, between the City of Denton, Texas (“City”), as grantee, and Timber Links Apartments, LLC (“Owner”), as grantor, to acquire the Property Interests for the total purchase price of \$93,060.00, 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. [Spencer to Pockrus TM Line]
- J. PUB16-242** - Consider a recommendation of an ordinance of the City of Denton determining the public use, need, and necessity for the acquisition of various permanent easements and temporary construction easements generally located along FM 2181 (Teasley Lane) the limits of which being bounded to the north by Lillian Miller Parkway and to the south by the southeastern boundary of Hickory Creek Mobile Home Park and being situated in the J. C. Baker Survey, Abstract No. 47, the A. E. Cannon Survey, Abstract No. 232, the J. Fisher Survey, Abstract No. 421, the S. Hembrie Survey, Abstract No. 643, the B. Merchant Survey, Abstract No. 800, the C. Poullalier Survey, Abstract No. 1006, the E. Pickett Survey, Abstract No. 1018, the S.A. Venters Survey, Abstract No. 1315, and the W. E. Penley Survey, Abstract No. 1729, City and County of Denton, Texas, and with the use, purpose and legal descriptions of each easement being more particularly described in the attached Exhibit “A” (the “Property Interests”); authorizing the City Manager and City Attorney, or their respective designees, to acquire the property interests by agreement including making all offers required by law; authorizing the use of the power of eminent domain to condemn the property interests if an agreement cannot be reached; and authorizing the City Attorney, or her designee, to file eminent domain proceedings if necessary; authorizing the expenditure of funding; making findings; providing a savings clause; and providing an effective date. (FM 2181 Utility Relocations Project)

**Item B was pulled by Board Member Russell. Russell asked why there was only one bid for this equipment.** Kemler answered they had bid out compactors some time ago and replaced an older unit. About the time the equipment was delivered the second unit that was scheduled to be

replaced next year malfunctioned and the cost to repair was too expensive. This unit was included in the previous bid process that included the first compactor.

**Board Member Russell motioned to approve. There was a second by Board Member Jackson, vote 6-0 approved.**

**Board Member Jackson motioned to approve items A, C, D, E, F, G, H, I and J. There was a second by Board Member Carroll, vote 6-0 approved.**

### **ITEMS FOR INDIVIDUAL CONSIDERATION**

**A. PUB16-231-** Consider recommending approval of the Public Utilities Board Meeting minutes of October 10, 2016.

**Approved as circulated**

**B. PUB16-219 -** Receive a report, hold a discussion and consider recommending approval of a contract with Can-Fer Construction for procurement of substation construction services in an amount not to exceed \$17,620,000 (RFP #6085)

Brent Heath stated that staff has been making great strides at the two problems of growth and aging infrastructure. The substations and transmission lines are eligible for Transmission Cost of Service Reimbursement. In October 2015 the Public Utility Commission approved \$5.862 Million coming back to DME. In September 2016 staff filed \$7.2 Million.

Chris Lutrick talked about the substation construction. This is one of the three big contracts for substation construction the other being site preparation which was approved summer 2015 and the wall construction that was summer 2016.

This contract is for the construction of substations built in 2017-2019 that will include: New Jim Christal, Long Road, Brinker, Masch Branch, Mayhill and Underwood substations. It will also include substation upgrades for Spencer and Denton North.

There were four proposals that were competitive. Can-Fer was the lowest cost option.

Greenfield Substations include: Cooper Creek, Pockrus, McKinney, Kings Row, Arco North Lakes (complete not energized), Locust (currently under construction).

The contractor has become very familiar with the equipment and plans and the projects run very smoothly.

**Carroll asked in the request for proposals are we putting in variances in case City Council decides they want to go with gas insulated systems or are these projects fully designed.**

Lutrick answered two are in initial design but have a unit price contract. This has a list of items needed to build an air operated substation.

**Board Member Carroll motioned to approve. There was a second by Board Member Russell, vote 6-0 approved.**

**C. PUB16-223** - Receive a report and hold a discussion regarding the compensation and classification study conducted by UM Global HR.

Howard Martin explained that Dan Ulibarri and Elena Mason of UM Global was present to give an overview of the Salary Survey that was requested by a Board Member. Martin stated that he was gone through several studies with his career here at the City of Denton and this is one of the more comprehensive ones.

Dan started the presentation by giving the Objectives of the Study that included: Review the internal equity situation, Determine market competitiveness and Update salary structure.

The Overview of the Approach was: communication, job evaluation, market study, pay structures and grade assignments.

Dan gave a very detailed explanation of the study and all its components.

Alana finished the presentation by talking about the pay plan structures and market data collection methodology.

Both thanked the Board and staff.

**D. PUB16-234** - Recommend approval to proceed with the pilot of Routeware-Fleet Management Software for a sixty (60) day period to evaluate the efficiencies created through the use of the software and to evaluate the capability of Routeware to integrate with our current information management software, Paradigm.

Tyler Hurd gave this presentation. Hurd stated Solid Waste has been looking for a fleet management system that would take on various duties for residential collection. There have been several systems reviewed by staff but none of them have met what is needed by the department. Staff from Solid Waste attended a trade show and first saw the Routeware Software. They saw that this was very easy to use and understand. Management then set up a meeting with Routeware to talk about the product. There are many features that would be beneficial to the department and community alike.

The financial overview includes a 10-vehicle pilot with Routeware for 60 days, \$29,900; Routeware integration with Paradigm, \$10,000; Paradigm Integration with Routeware \$26,200; Total Cost for the Integrated Pilot Program is \$66,100.

**Board Member Russell asked if this is a budgeted item.** Hurd answered yes it has been in the budget. The pilot project will be out of the operating budget, while the purchase will be from Capital.

**Board Member Carroll asked how many vehicles this system would be in.** Hurd answered about 65.

**Chair Robinson asked what the cost of purchasing the system would be.** Hurd answered it is about \$450,000.

**Carroll asked if the integration fees are one time, Hurd agreed.**

**Board Member Carroll motioned to approve. There was a second by Board Member Parker, vote 6-0 approved.**

**E. PUB16-232- ACM Update:**

1. Hurricane Matthew Return Press Release
2. Memo Santee Cooper
3. Matrix

**Add Utility Rate Comparison 12-12**

**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 11:04 a.m.**

**Approved on 12/12/16**