



**City of Denton
MINUTES
PUBLIC UTILITIES BOARD**

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

Monday, June 11, 2018

9:00 am

Work Session Room

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, June 11, 2018 at 9:00 a.m. in the Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas

Board Members: Chair Randy Robinson, Vice Chair Susan Parker, Lilia Bynum, Charles Jackson Deb Armintor and Allen Bishop

Ex Officio Members: Todd Hileman, City Manager and Mario Canizares, Assistant City Manager

Absent: Brendan Carroll

CLOSED MEETING

- A. PUB18-098** - Deliberations regarding Real Property - Under Texas Government Code Section 551.072; Consultation with Attorneys - Under Texas Government Code Section 551.071.

Discuss, deliberate and receive information from staff and provide staff with direction pertaining to the potential purchase of certain real property interests out of the Alexander Hill Survey, Abstract No. 623, Denton County, Texas, and generally located in the 1200 block of Johnson Street, Denton, Texas. 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 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. [Spencer to Locust Transmission Line project - Parcels 34 & 37].

- B. PUB18-102** - Deliberations Regarding Certain Public Power Utilities: Competitive Matters – Under Texas Government Code Section 551.086; Consultation with Attorneys - Under Texas Government Code Section 551.071.

Receive a presentation from staff regarding public power competitive and financial matters pertaining to the natural gas fuel supply for the Denton Energy Center ("DEC"); discuss and deliberate strategies, opportunities and agreements for the City to acquire natural gas for the DEC from ConocoPhillips Company and Tenaska Marketing Ventures. Consultation with the City's attorneys regarding legal issues associated with the agreements described above where 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.

- C. PUB18-106** - Deliberations Regarding Certain Public Power Utilities: Competitive Matters – Under Texas Government Code Section 551.086; Consultation with Attorneys - Under Texas Government Code, Section 551.071.

Receive competitive and financial public power information from staff related to Power Purchase Agreements between the City of Denton, as the seller of power and electric energy services, and Texas Woman's University and the University of North Texas, both as buyers of power and electric energy services; discuss, deliberate, and make recommendations to City Council regarding the same. Consultation with the City's attorneys regarding legal issues associated with the above matters 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.

REGULAR MEETING

CONSENT AGENDA

- A. **PUB18-095** - Consider recommending adoption of an ordinance of the City of Denton, Texas, a Texas home-rule municipal corporation, authorizing the approval of a second amendment to a professional services agreement between the City of Denton and D&S Engineering Labs for the construction of Cell 3B, C, D and associated site improvements for the City of Denton Landfill; providing for the expenditure of funds therefor; and providing an effective date (File 6508- second amendment expenditure amount not-to-exceed \$29,648.95 for a total contract amount not-to-exceed \$129,548.95).
- B. **PUB18-100** - Consider recommending adoption of an ordinance of the City Council of the City of Denton, a Texas home-rule municipal corporation, providing for, authorizing, and approving the execution by the City Manager, or his designee, of a Base Contract for Sale and Purchase of Natural Gas, between the City of Denton and Conoco Phillips Company ("Conoco"), a Delaware corporation headquartered in Texas; approving the execution of such other and further related documents deemed necessary to effectuate the transactions allowed under this agreement by the City Manager or his designee; determining that specific information contained in documents involved in this transaction pertain to a "competitive electric matter" as set forth under the provisions of §§551.086 and 552.133 of the Texas Government Code, as amended; allowing the public to inspect, but not reproduce, the base contract as redacted; providing an effective date..

Pulled by Board Member Armintor. Armintor stated that she is voting against this and had stated the reasons at a previous meeting.

There was a motion by Board Member Parker for approval, second by Board Member Jackson. Vote 5-1 approved.

- C. **PUB18-104** - Consider recommending adoption of an ordinance of the City of Denton, Texas, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract for the supply of Underground Utility Line Locating Services for the City of Denton to USIC Locating Services, LLC; providing for the expenditure of funds therefor; and providing an effective date (IFB 6736- awarded to USIC Locating Services, LLC, in the three (3) year not-to-exceed amount of \$1,200,000).
- D. **PUB18-108** - Consider recommending adoption of an ordinance of the City of Denton, Texas, a Texas home-rule municipal corporation authorizing the City Manager, or his designee, to execute a Waiver Agreement Relating to the Global Settlement Agreement between Texas Municipal Power

Agency and its Member Cities to waive the September 1, 2018 start-up date for previously agreed upon changes in handling ERCOT postage stamp charges and to begin implementation of such changes on January 1, 2019; and, providing an effective date.

There was a motion by Board Member Jackson to approve items A, C and D, with a second by Board Member Parker. Vote 6-0 approved.

1. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. PUB18-099** - Consider approval of the Public Utilities Board Meeting minutes of May 21, 2018.

Approved as submitted

- B. PUB18-105** - Consider recommending adoption of an ordinance of the City of Denton, Texas, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Professional Services Agreement with Nelson + Morgan Architects, Inc. for Architectural Design Services for renovation of Service Center and 651 Mayhill as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 6748- Professional Services Agreement for Architectural Design Services awarded to Nelson + Morgan Architects, Inc., in the not-to-exceed amount of \$918,402.53).

Mario Canizares gave the presentation regarding the renovation of the Service Center and 651 Mayhill.

This item was presented to Council in February 2018 as a work session item and to this Board in March 2018.

Issues covered were the history of the service center, lack of space for city operations, options to maximize existing city owned facilities and the financial implications. Both City Council and PUB provided direction.

A map of the Service Center was shown with the overview.

History at the service center includes the service center and traffic operations buildings. The service center was built in 1980 and the traffic operations building was built in the 1960's. The population in 1980 was 48,063 in 2016 133,808. City square miles in 1980 was 32.8, in 2017 – 98.8. Onsite staffing in 1980 was 110, 2017 - 253.

Service Center Building and Traffic Operations overview and issues were presented with photos.

An illustration of the Service Center was shown with the different departments and the areas they occupy.

Traffic Operations Building was shown with photos and the overview was presented.

The thought is to fully utilize existing spaces that would include relocating traffic operations and material management to 651 Mayhill Road. This building is 81,000 square feet, mostly vacant that is open space.

Estimated budgets were shown. The project at 651 Mayhill for Materials Management would be \$3,368,640, for Traffic Operations would be \$2,178,000. Service Center expansion/renovation would

be \$8,898,546. Estimated total cost for design, construction, furniture and fixtures would be \$14,445,186.

Direction from City Council and PUB was for staff to engage an architectural firm to plan/design the renovation and expansion of 651 Mayhill and the Service Center.

Since then purchasing issued a Request for Qualification (RFQ) for architectural services. There were seven statement of qualifications received. A review committee was convened and reviewed the qualifications of the submitters. The committee made a recommendation to select Nelson + Morgan Architects of Denton, Texas to be the architect of record for these projects.

Design proposals and funding was explained and showed with tables. Total design fees for the Service Center and 651 Mayhill would be \$918,402.53. The break out showed where the funds would come from.

Staff believes this is the best way to move forward. This would allow to move in within the next year.

Armintor asked about the GO Bond. Canizares answered there was a proposition for a traffic operations building included in the 2014 bond package.

Armintor then asked about the decisions for funding to come from revenue for Service Center and Materials Management to come from Certificates of Obligation. Canizares answered there are some CO's available in Solid Waste and basically Material Management would be paying Solid Waste back. Revenue funding is available from a variety of departments.

Chair Robinson stated it looks like the design fees are under budget from the original. Canizares agreed.

Board Member Jackson asked why this is brought to the PUB. Canizares answered because it houses water, wastewater and drainage to present to this Board to get a recommendation.

Board Member Parker what is the past experience that gave the consultant the higher score. Canizares answered Nelson + Morgan has worked on this before and is familiar with the facilities master plan.

There was a motion to approve by Board Member Parker with a second by Board Member Bynum. Vote 6-0 approved.

- C. PUB18-107** - Consider recommending approval of an ordinance of the City of Denton, Texas, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Professional Services Agreement with Burgess & Niple, Inc. for Design Services of the Morse Street Loop 288 to Mayhill Road street improvement as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 6590-009- Professional Services Agreement for design services awarded to Burgess & Niple, Inc. in the not-to-exceed amount of \$255,000).

Chad Allen gave the presentation.

This item includes \$24,350 in water department funds for design of water line relocation improvements that require PUB approval.

Allen showed a map of the project with explanation.

RFQ Information was presented. The Morse Street expansion project was authorized and funded as part of the 2014 General Bond Election. The limits of the project as between Loop 288 on the west end and Mayhill Road of the east end. This project will complete the widening of Morse Street from two lanes to four lanes with a median from Kimberly Drive to Mayhill Road. The engineering consultant was selected based on a RFQ for professional engineering services that was solicited using the City's formal solicitation process. Burgess and Niple, Inc. is one of the qualified firms that submitted for the design of roadways, intersections and bridges category and has been selected for this project.

Engineering scope of services was shown. A map of the roadway was shown with the water line that may have to be relocated.

Recommendation from staff is to recommend approval of an ordinance for a professional services agreement with Burgess and Niple, Inc. for engineering services associated with the Morse Street Loop 288 to Mayhill Road project in a not-to-exceed amount of \$255,000 which includes \$24,350 in water utility funding for water line relocation design.

Chair Robinson stated it makes perfect since to extend that piece of roadway.

There was a motion to approve by Board Member Bishop with a second by Board Member Armintor. Vote 6-0 approved.

D. PUB18-110 - ACM Update:

1. 2018 Texas Water Conference Asset Management Plan Presentation
2. Future Agenda Items
3. 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

Parker – Markets for recycling materials and lot of cities are looking at not selling the materials because it is not advantageous.

Parker - Plans for increasing commercial recycling

Armintor – Staff presentation about the different kinds of air testing at the DEC, past and future. Hileman stated that Black and Veatch will present soon on the findings.

**Adjournment: 10:29am
Approved 6/25/18**