



**City of Denton  
MINUTES  
PUBLIC UTILITIES BOARD**

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

**Monday, September 24, 2018**

**6:00 pm**

**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, September 24, 2018 at 6:00 p.m. in the Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas

**Board Members: Pro Tem Chair Lilia Bynum, Charles Jackson, Allen Bishop, Karen DeVinney and Billy Cheek**

**Ex Officio Members: Kenneth Banks**

**Absent: Chair Susan Parker, Vice Chair Brendan Carroll  
Todd Hileman, City Manager and Mario Canizares, Assistant City Manager**

**CLOSED MEETING**

- A. PUB18-165 - 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 related to a Power Purchase Agreement between the City of Denton, as the seller of power and electric energy services, and the University of North Texas, as a buyer of power and electric energy services; discuss, deliberate, and provide direction to staff 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.

- B. PUB18-183 - 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.**

Discuss and deliberate on strategies and opportunities for the City to acquire natural gas for the Denton Energy Center ("DEC"); receive a presentation from staff regarding public power competitive and financial matters for the purchase of natural gas; and provide recommendations on the purchase of natural gas under the existing Base Contract for the Purchase and Sale of Natural Gas with Enterprise Products Operating, LLC. 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.

**REGULAR MEETING**

**1. CONSENT AGENDA**

- A. **PUB18-182** - 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 POWER Engineers, Inc., to provide services for Capital Improvement Projects where design or relay and control commissioning has been initiated; for providing North American Reliability Corporation (NERC) required periodic relay and protection system testing for two substations; for meeting obligations of the Texas Municipal Power Agency (TMPA) Transmission Operator, Maintenance, and Construction Services Agreement; for providing a contingency for unforeseen engineering support requirements; and for providing a contingency for emergency relay and control system support; providing for the expenditure of funds therefor; and providing an effective date (File 6861 - awarded to POWER Engineers, Inc., in the not-to-exceed amount of \$776,600).
- B. **PUB18-189** - Consider recommending adoption of an ordinance of the City of Denton, Texas, a Texas home rule municipal corporation, authorizing the City Manager to expend funds for payment by the City of Denton to the Texas Commission on Environmental Quality for the annual Consolidated Water Quality Fee for operation of the Pecan Creek Water Reclamation Plant; and providing an effective date. (Consolidated Water Quality Fee in the total not-to-exceed amount of \$115,000.00).

Item A was pulled by Board Member Jackson he asked why we are not amending the contract instead of asking for a new contract. George Morrow stated that the contract was almost complete and it is easier and cleaner to get a new contract. Jackson then asked how much money has been spent on the current contract. Chuck Sears answered almost \$2,000,000.

Board Member Cheek asked if this will be recovered by transmission costs. Sears answered all except about 10 percent will be reimbursed with TCOS.

**Board Member Jackson motioned to approve items A and B, second by Board Member Cheek. Vote 5-0 approved.**

## **2. ITEMS FOR INDIVIDUAL CONSIDERATION**

- A. **PUB18-187** - Consider approval of the Public Utilities Board Meeting minutes of September 10, 2018.

**H consent agenda.... Introduction is incorrect....**

**Board Member Jackson motioned to approved item A as amended, second by Board Member Bishop. Vote 5-0 approved.**

- B. **PUB18-185** - Consider recommending adoption of an Ordinance of the City of Denton authorizing the City Manager, or designee, to execute a physical gas transaction confirmation for the purchase of natural gas under the terms and conditions of base contract for the purchase and sale of natural gas with Enterprise Products Operating, LLC; providing for the expenditure of funds; and providing for an effective date.

George Morrow gave the presentation.

Background stated the City's current natural gas supply arrangement for the DEC expires on September 30, 2018. Staff has negotiated a new arrangement to replace the current one.

Procurement Process added that a formal competitive process is not required for electricity and natural gas procurement. Discussions began with Enterprise to look at pricing options several months ago. Staff also communicated with other physical gas commodity suppliers, but no transaction was identified as being practical in the near term.

Recommendation is to consider recommending approval of an ordinance authorizing the CM to enter into a six month natural gas purchase arrangement with Enterprise Products.

**Board Member Cheek motioned to approved item B, second by Board Member Jackson.  
Vote 5-0 approved.**

**C. PUB18-188 - ACM Update:**

1. 2018 EPA CMOM Conference
2. Liquid Oxygen Proposal Information
3. Future Agenda Items
4. 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

**Adjournment: 6:49pm**

**Approved on 10/8/18**