



# City of Denton MINUTES PUBLIC UTILITIES BOARD

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

**Monday, February 11, 2019**

**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, February 11, 2019 at 9:00 a.m. in the Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas

**Board Members: Chair Susan Parker, Vice Chair Brendan Carroll, Allen Bishop, Billy Cheek, Karen DeVinney, and Charles Jackson**

**Ex Officio Member: Mario Canizares, Assistant City Manager**

**Absent: Lilia Bynum**

## **WORK SESSION**

**A. PUB19-023** Receive a report, hold a discussion, and give staff direction regarding the Solid Waste department's residential and commercial recycling operations.

Ethan Cox gave the presentation stating that this is part of the business case analysis for the solid waste departments. Cox then introduced the team that worked on these case analysis: Eugene McKinnie, Solid Waste Operations Manager; and Brandy Neal, Solid Waste and Recycling Business Account Coordinator.

### **Recycling purpose and objectives**

- Department objective is to reduce per capita waste disposal.
- Purpose is to preserve natural resources and save energy. Prevent pollution and to reduce waste sent to landfills.
- Participants are customers (residential, commercial and drop off sites) and operations (collections, material recovery facility and the landfill).

### **Recycling Scope and Definitions**

- Scope is commercial/residential recyclable collections and drop-off locations.
- Definitions include recyclables, materials recovery facility, contamination and diversion.

### **Materials Recovery Facility**

#### **Pratt Industries**

- Land lease and processing agreements expires on October 2, 2027
- Program materials include:
  - Plastic #1-7
  - Aluminum and tin cans
  - Glass
  - Mixed paper
  - Cardboard
- Contamination – Pratt may reject any load with greater than 15 percent contamination
- Regional Facility – Pratt may accept non-Denton recyclables at a fee of \$5.00/ton

**Recycling - Process Overview** was looked at on a flow chart and was explained very briefly.

### **Recycling – Market Impact**

#### **-Global Market**

- China bans recycled paper/plastic (Jan 2018)
- Demand for recyclable material drops 40 percent plus
- Excess Materials = Low Commodity Prices

#### **-Impact on Local Recycling**

- Low Prices = Processors cannot afford extensive material sorting/cleaning
- Processors refusing contaminated material
- Contaminated material is sorted at the MRF and landfilled

Cox added that the City of Denton is in great shape because we do have the contract with Pratt and are not in the same predicament as other communities.

### **Financial overview**

- Reduced commodity revenues require offsetting reductions in expenditures to prevent rate increases
- Cities renegotiating with recyclers are altering programs and/or increasing rates to deal with new and rising costs

If the market does not rebound, residents and businesses will begin paying more for recycling. At \$25 to \$90/ton, a residential bill would go up between \$0.65 to \$1.66 per month.

For some communities, the value proposition has already changed. The reduction in tonnage being diverted coupled with increased costs has caused them to reevaluate their program. We're not currently in that position.

### **Environmental Considerations**

#### **-Preserves Natural Resources and saves energy**

- Prevents – Use of raw materials and energy for new products
- Requires – Use of raw materials for collection trucks, containers etc.
- Use of energy for equipment to collect, sort, & transport recyclable materials

#### **-Prevent Pollution and Reduce Waste Set to Landfill**

- Prevents – Pollution associated with sourcing and transportation of raw materials
  - Methane output from decomposition of paper/cardboard
    - Gas to energy facility utilizes methane to generate electricity
    - Other gas is collected and converted to carbon dioxide via flare
  - Use of approximately 15,850 yd3 of landfill airspace (FY 17/18)
- Causes – Emissions from Solid Waste recycling fleet
  - Emissions from equipment used to sort, transport, & process recyclable materials

### **Environmental Considerations EPA's WARM Model Results**

#### **-Assumptions were explained and listed**

Green House Gas (GHG) Emissions analysis is equivalent to removing annual emission from 4,736 passenger vehicles.

Energy Analysis is equivalent to removing annual energy usage of 874 households.

### **Recycling Performance FY17/18**

A few things are looked at beginning with adoption. That is the number of customers with City of Denton recycling service. Residential is 100 percent (because it is a bundled rate) with commercial being 26.7 percent and is an open market and can recycle with outside haulers.

Board Member Cheek asked if there is a way to find out what commercial businesses are contracting with outside haulers. Cox answered not currently, it is pretty involved.

Participation is the percentage of customers setting out recycling containers for collection. Residential is 67.3 percent with commercial being 100 percent.

Contamination is the percent of dirty or wrong materials placed in the recycling container. Residential is 32.7 percent with commercial being 39.2 percent.

Board Member Carroll stated since you have the figures for contamination of commercial containers do you have a calculation of how much is being collected from commercial. Cox showed a slide with all of the tonnages and percentages for commercial and residential.

### **Recycling contamination**

Wrong material and dirty material photos were shown and explained.

Cox then showed maps of 'Contamination in Denton' with a legend of the different percentages for residential and commercial.

### **Contamination Audits and Education**

Targeted Commercial Audit target high contamination routes. Staff 'lifts the lid' to identify the source of contamination and performs an educational intervention and they monitor the results.

The 'Recycle Right' campaign is a marketing tool that is being used. Cox showed photos of successes after an audit on the square.

There was also photos of a multifamily property that had success after an audit.

Some multi-families do a great job, some of the property managements try but the tenants are lacking. One of the challenges with multi-family is when moisture is on the bottom of the container because of being left open in a rain event. The cardboard gets soggy and will get rejected.

Cox went on to say that what Solid Waste can do beyond education is to try putting a brightly colored contamination notice on the cart to say why they didn't pick it up.

Cheek asked how often it happens that the recycling loads are obviously not recycling. Cox answered not residentially, commercial is about 50/50. All the loads wouldn't be tagged only the blatant loads.

Cox lastly presented the Multifamily and Commercial Expanding Recycling Adoption.

Commercial adoption is currently at 24.8 percent that recycle with the City. Multifamily is at 35.3 percent.

Staff has also been working with commercial businesses that if a container will not fit to add carts.

As far as a 'Mandatory Recycling Ordinance' staff would like to do a case analysis on this as well. It would need to be a balance. There are city considerations and customer considerations.

## **Conclusions and recommendations**

-Cost containment is to maintain weekly collections and resize recycling collection routes to improve efficiency.

-Contamination; Continue audits, continue education campaigns, recognize businesses and institutions that 'Recycle right' and implement compliance and enforcement processes.

-Increasing adoption and participation; Continue with voluntary adoption for commercial & multifamily. Educate new & existing participants and celebrate/recognize successes.

The Committee on the Environment Recommendations include:

-Contamination: implement compliance and enforcement processes and replace recycling containers in parks and public areas to reduce contamination.

-Increasing adoption and participation: evaluate implementation of a mandatory recycling ordinance for multifamily and commercial customers.

-Additional recommendations: Improve education and outreach with hands on education for schools, and improved signage on containers, targeted education on plastic bags and plastics accepted by the program. Carts and containers proactively right size under/over utilized containers.

Board Member DeVinney asked if staff has worked with Community Improvement regarding leaving the trash out. Cox answered they have not talked to them yet but will. At a later date staff would like to add an environmental officer to help with some of these issues.

Parker asked about the map with contamination in Denton.

Cheek asked what happens with concrete and millings. Cox answered they have about five years of stock piles for concrete that needs to be moved at some point. There are 100 percent diversion to what solid waste doesn't accept. Cheek asked about charging other departments for their waste. Cox answered they do charge a small fee but it must not be contaminated, and much of it is. There are others that do take the waste.

Carroll questioned that we still take rubble. Cox answered from city departments as long as it meets the contamination rates.

Carroll asked if the cameras on the solid waste vehicles are they suitable for determining contamination. Cox stated they do but not all vehicles have cameras. Staff will be looking at moving forward.

Carroll then asked about software that was supposed to help with this type of information. Cox answered there was a pilot project that lasted about 60 days. The software was lacking and staff is continuing to evaluate.

Carroll talked about rewarding those that 'recycle right'.

Cox stated this will go to Council on February 12, are there any other recommendations from this Board. Carroll added efforts in community education. Parker would like an analysis and that information brought back.

There was a discussion regarding the mandatory recycling ordinance for commercial and multifamily.

Carroll asked about the offsite recycling areas. Cox stated it is an on-going battle. The one at Northlakes is going to be moved, tennis courts will be constructed in that area. Staff is looking at alternatives with supplemental packages.

Parker lastly asked if staff has talked to commercial businesses and multifamily regarding the mandatory ordinance. Cox answered they haven't talked to them at this time. The question will be what they will need to support this ordinance.

**B. PUB19-024** Receive a report, hold a discussion, and give staff direction regarding the feasibility and cost to reduce and/or eliminate utility poles along Dallas Drive and Teasley Lane.

George Morrow briefly talked about this item and introduced Jerry Fielder to make the presentation.

Fielder started the presentation with the background.

-Denton's Park Department has received Council approval for \$75,000 to improve the northeast corner of Dallas Drive and Teasley Lane through the development of a median park.

-DME has received feedback the Council would like to investigate the possibilities of reducing, or eliminating, the number of poles near the intersection of Dallas Drive and Teasley Lane.

-This investigation has been extended along Dallas Drive from Smith Street to the IH35E access, and along Teasley Lane from Duncan Street to just south of the Woodhill Apartments entrance.

**Actions taken at this time:**

-DME met with representatives of Frontier and Charter on January 4. There are two options discussed: 1) Transfer of existing plant on topped off poles to DME poles. 2) Conversion of overhead plant to underground.

-At the request of DME, charter has transferred their assets from topped-off poles directly adjacent to the ROW (five poles have been removed at this time). DME initiated the removal of topped off poles no longer in use to help clean the corridor along Dallas Drive.

**Study area includes:**

Dallas Dr – Smith Street southeast to IH35E entrance ramp.

Teasley Lane – Just south of Woodhill/Camino del Sol Apartments entrance, northeast to 200 feet from Duncan Road.

Fielder went through each study area and explained the facilities that DME has in each segment.

Current condition photos were shown.

**Option 1 Remove the 'stub' poles** – Work with Verizon and Charter to move their facilities over to existing DME poles allowing the removal of topped off, or stub poles in the area. This has been done before and after photos were shown.

Frontier has indicated that it is feasible to eliminate only two stub poles due to cable slack and splicing boxes. Costs to underground the remainder would be significantly expensive.

Charter/Spectrum has recently moved their equipment to DME poles.

**Option 2 Underground** – DME initiate partial or full conversion of its overhead assets in the area to underground and Verizon and Charter follow suit and install their assets underground.

Major Switching Junction for Reliability – There are two substations, four substation transformers and four feeders.

Option 2 Segment 1 - \$1,200,000, this is adjacent to the median park. There was a list of all that would have to be accomplished. Photos were shown.

Option 2 Segment 2 - \$1,890,000, Northeast side of Dallas Drive to Smith Street.

Option 2 Segment 3 - \$1,110,000, Southwest side of Dallas Drive to Smith Street

Option 2 Segment 4 - \$222,000, Teasley Lane, northeast to Duncan Street

Option 2 Segment 5 - \$570,000, Dallas Drive, corner to Hopkins Road

Option 2 Segment 6 - \$1,890,000, Dallas Drive, Hopkins Road to IH35E

Option 2 Segment 7 - \$1,044,000, Teasley Lane, southwest to Woodhill Apartments

Projected Costs – Option 2 for DME only are \$7,776,000, Charter and Verizon costs are to be determined.

### **Summary**

Option 1 - minimal

Option 2 - \$7,776,000, Charter and Verizon costs are to be determined

### **Key points**

-DME has initiated conversations with both Verizon and Charter to eliminate topped off poles along Dallas Drive. Five poles have already been removed.

-The projected cost for DME to convert its overhead plant to underground at the corner of Teasley Lane and Dallas Drive, is estimated to be \$1,200,000.

-The projected cost for DME to convert its overhead plant to underground for the study area (seven segments) is \$7,776,000.

### **Next Steps**

-If option 1 is chosen, DME will continue to work with telecommunications providers to scope the project in further detail and implement as practical.

-If option 2 is chosen, Phase 1 would involve detailed engineering and cost estimated for segment 1 and further would with telecommunications providers.

-Additional phases could be considered for implementation following completion of Phase 1.

### **Council direction**

Continue working with telecommunications providers who have cables on stub poles to persuade them to move over to DME poles allowing DME to remove the stub poles along Dallas Drive and Teasley Lane in the areas studied.

Board Member Cheek asked what is the life left in the existing poles, Fielder answered they were built within the last 6 years so only about one fifth depreciated, they are in good shape.

Jackson asked the stub poles in the immediate area of the park, how many did Frontier say they cannot move from and how many are left. Fielder answered they can only move from two, five would be left.

Carroll asked why there would be a park in that area. Mario Canizares stated it was a request from Council on some options to clean up that area and make it nicer.

Carroll asked when Dallas Drive will be widened. Todd Estes answered currently that segment is not planned to go to six lanes and no projections to do that. Staff is working with TxDOT to turn it over to the City, it will stay a four lane divided thoroughfare with medians for controlled access.

## **REGULAR MEETING**

### **1. CONSENT AGENDA**

- A. **PUB19-025** - Consider recommending approval of an ordinance of the City Council of the City of Denton, Texas, a Texas home-rule municipal corporation, authorizing the City Manager to execute an agreement with SCM Fireside, LLC, a Texas Limited Liability Company, for the City's participation in the oversizing of sewer mains for the City of Denton; providing for the expenditure of funds therefor; and providing an effective date (awarded to SCM Fireside, LLC in the not to exceed amount of \$68,786).

**Board Member Jackson motioned approval with a second by Board Member DeVinney.  
Vote 6-0 approved**

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

- A. **PUB19-021** - Consider approval of the Public Utilities Board Meeting minutes of January 28, 2019.

**Approved as circulated**

- B. **PUB19-014** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of an eighth amendment to a Professional Services Agreement between the City of Denton and Freese and Nichols, Inc.; amending the contract approved by City Council on June 16, 2009, in the not-to-exceed amount of \$301,545, amended by Amendments 1-7 approved by the City Manager, City Council, and Purchasing staff, said eighth amendment to provide engineering and design services relating to the PEC 4 Drainage Improvements Phase 1 and 2 project in the amount of \$182,315; providing for the expenditure of funds therefor; and providing an effective date (File 4437 - providing for an additional eight amendment expenditure amount not-to-exceed \$182,315, with the total contract amount not-to-exceed \$667,625).

Lee Perry gave the presentation for this item.

#### **Project Overview**

- PEC 4 Phase 1 and 2 Drainage Improvements
- Water, wastewater and fiber improvements

#### **Current Contract**

- Original contract was awarded in June 2009 to Freese and Nichols for \$302,295.
- Amendment #1 through #5 occurred between June 2009 and August 2015 in a total amount of \$102,744 for various additional services related to survey and design for storm drain and wastewater utilities.
- Amendment #6 was approved in November 2017 for \$62,000 to finalize the Elm and Locust utility plans, paving and striping plans, and the addition of conduit for future fiber optic facilities.
- Amendment #7 was approved in April 2018 for \$19,021 for box culvert size modifications in Phase 2 based on the updated drainage criteria manual.

**Amendment #8** is required for additional design, bid and construction phase services including:

- Additional hydraulic analysis for alternate construction methods
- Repackaging of bid document for project rebid
- Additional bid phase services for the project rebid
- Additional construction phase services

#### **Recommendation**

Recommend adoption of an ordinance by the City to execute Amendment No. 8 between the City and Freese and Nichols, Inc., in the amount of \$182,315. For the PEC 4 Drainage Improvements Phase 1 and 2 project.

Parker stated this is a 10 year contract, when do you just close out and re-start. Perry answered this project is very far along, we wouldn't want to start over.

**Board Member Bishop motioned approval with a second by Board Member Carroll.**

**Vote 6-0 approved**

**C. PUB19-022 - ACM Update:**

1. "Pay As You Go" Prepaid Utilities Public Launch
2. Indirect Reuse Permit Application Status
3. GO Funded Projects
4. Future Agenda Items
5. 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: 10:17am**

**Approved Feb. 25, 2019**

DocuSigned by:

*Susan Parker*

D7178552EE3B4F6...

5/28/2019

DocuSigned by:

*Kim Mankin*

74FB3BFA074D424...