



**City of Denton
MINUTES
PUBLIC UTILITIES BOARD**

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

Monday, January 13, 2020

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, January 13, 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, Secretary Ed Soph, Russell Bafford, Karen DeVinney, Charles Parker and Barbara Russell

Absent: Vice Chair Billy Cheek

Ex Officio Member: Mario Canizares, Assistant City Manager

WORK SESSION

- A. PUB20-013** - Receive a report, hold a discussion, and give staff direction regarding the potential inclusion of Whitetail/Wolf Ridge wind farm physical energy deliveries in calculating total renewable resource percentages under the Denton Renewable Resource Plan.

Terry Naulty, DME, gave this presentation talking about the Denton Renewable Resource Plan. This specifically talked about how staff accounts for the renewable energy that is procured to serve the load.

Three RFP's have been issued for additional renewable resources. This will be the last that is procured to achieve the 100 percent renewable goal.

There is a legacy contract that is called Whitetail/Wolf Ridge, it is a wind energy resource. The contract was entered in the 2014 timeframe. This is a 30 MW contract for around the clock energy that is a physical delivery by the Whitetail Interconnection with ERCOT transmission grid. In 2016 the contract was amended to increase delivery of Renewable Energy Credits as part of the renewable objective in the Renewable Denton Plan. The contract is for 525,600 REC's per year and 262,800 MWh per year.

Contract expires: 12/31/2023

City of Denton Resolution 18-085 "Denton Renewable Resource Plan" included Whitetail contract, the final version addendum is as follows:

Based on feedback from the City of Denton Public Utilities Board, Denton City Council and the following decisions have been made:

- Count Whitetail as a renewable resource, no
- Will Denton choose to delay solar purchases because of potential federal solar tariff, no
- Should Denton accelerate renewable purchases, yes
- Should Denton move forward the date of the 100 percent renewable goal, yes

Options for consideration include:

- Status Quo – No Whitetail REC's used in calculating percent renewable

- Utilize the same construction as DME uses for all other renewable resources
- Credit all REC's held in DME account towards 100 percent renewable goal.

There was a graph for the previous 24 months showing the Whitetail Output as reported by ERCOT. Less than eight percent of hours in the previous 24 months has there been no wind output. Approximately 53 percent of the time wind output is above 30 MW.

Soph asked if the energy it falls below 30 MW but we are getting 30 MW per day, where are we getting it? Naulty answered they purchase the energy from the market when the resource is less than 30 and provide it to us at the same delivery point.

They also sell the REC's to us from this facility, they are deposited into the DME account. If DME only credits the lower of actual output or 30 MW, we will realize 65 percent of the 30 MWs.

Naulty then defined a renewal energy credit.

The potential benefits of whitetail accreditation was talked about and the projected renewable supply was shown on a table.

Replacement in 2024 would allow DME to:

- Provide additional temporal diversity
- Achieve lower costs than current market due to projected overbuild of renewables
- Potential replacement with battery storage

Options for Consideration

- Status Quo
- Utilize the same construct as DME users for all other renewable resources
- Credit all REC's held in DME account towards 100 percent renewable goal.

There were many questions by the Board Members.

After the questions and discussion, the Board Members were in agreement for option 3.

REGULAR MEETING

1. CONSENT AGENDA

- A. **PUB19-229** – Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Professional Services Agreement with Kimley-Horn and Associates, Inc., for hydraulic and alignment study and analysis, design engineering report, final design, bid phase support, and construction administration services for the Northwest Booster Pump Station and Water Transmission Main as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 6590-081 - Professional Services Agreement for design services awarded to Kimley-Horn and Associates, Inc., in the not-to-exceed amount of \$1,398,600).

Board Member Devinney pulled this item with a question. She asked where this will located.

Frank Pugsley, Water Utilities, answered it will be on Riney Road the same tract of land where the elevated storage tank is located, this property is owned by the City of Denton.

Board Member Bafford motioned to approve this item with a second by Board Member Soph, Vote 6-0

- B. **PUB20-001** – Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Professional Services Agreement with Kimley-Horn and Associates, Inc., for utility conflict analysis, surveying, easement acquisition, design, bidding and construction administration services in support of the State reimbursable relocation of water and wastewater utilities within the Interstate Highway 35E Right-of-Way; providing for the expenditure of funds therefor; and providing an effective date (RFQ 6590-084 Professional Services Agreement awarded to Kimley-Horn and Associates, Inc., in the not-to-exceed amount of \$922,800).

Board Member Bafford pulled this item with questions. The first question was regarding the \$10.8 million, how much is reimbursable.

Frank Pugsley, Water Utilities, answered virtually all is reimbursable, there is a small amount of engineering that is scope related that will not be. On a later project with TX-DOT, it will be.

Bafford then asked regarding the \$922,800, how much is reimbursable. Pugsley answered there is about \$30,000 that may or may not be reimbursable under this contract. Bafford then asked if that would be covered by the budget. Mario Canizares answered it would be.

Board Member Bafford motioned to approve this item with a second by Board Member Soph, Vote 6-0

- C. **PUB20-003** – Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Pastore Houldsworth & Co., LLC, for the development of an Advanced Forecast Model for DME as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7167 - awarded to Pastore Houldsworth & Co., LLC, for development of an Advanced Forecast Model awarded for DME, in the three (3) year not-to-exceed amount of \$288,000).
- D. **PUB20-006** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with SSP Innovations, LLC, for the aid of Denton Municipal Electric (DME)'s Operation Technology and related software systems, which is the sole provider of this software, in accordance with Texas Local Government Code 252.022, which provides that procurement of commodities and services that are available from one source are exempt from competitive bidding, and if over \$50,000 shall be awarded by the governing body; and providing an effective date (File 7210 - awarded to SSP Innovations, LLC, in the five (5) year not-to-exceed amount of \$2,000,000).

Board Member Bafford pulled this item with questions. He first asked the software that is being purchased, it is for a period of (5) years. Does this include any new upgrades that they develop in the program within those years.

Noe Rodriguez, DME Technology answered it will include several upgrades during that time frame. One is changing our GIS mapping from geometric to utility. Bafford then asked after the (5) years Denton will have 'new' software not (5) year old software. Sandra Allsup, DME Technology, answered the contract is to keep the system progressing where it always matches the industry standard.

Board Member Bafford motioned to approve this item with a second by Board Member Devinney, Vote 6-0

- E. **PUB20-008** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager, or his designee, to execute a contract with Altec Industries, Inc. through the Sourcwell Cooperative Purchasing Network Contract Number 012418-ALT, for the acquisition of one (1) Altec model AT41M Articulating Telescopic Aerial truck for the Electric Substations Department; authorizing the expenditure of funds therefor; and declaring an effective date (File 7258 - awarded to Altec Industries, Inc., in the not-to-exceed amount of \$151,867).

Board Member C. Parker motioned to approve consent items C and E with a second by Board Member Russell. Vote 6-0.

2. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. **PUB20-009** - Consider approval of the minutes of December 5, 2019 (tour) and December 9, 2019.

**Board Member C. Parker motioned to approve with a second by Board Member Devinney
Vote 6-0 approved**

- B. **PUB20-002** - 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 public works contract with Archer Western Construction, LLC, for the construction of the Hickory Creek Detention Facility and Pecan Creek West Peak Flow Pump Station for the Wastewater Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 7061 - awarded to Archer Western Construction, LLC, in the not-to-exceed amount of \$14,458,000).

Frank Pugsley, Water Utilities, gave a brief presentation for this item.

Project description

- Construction of a 3.5 million-gallon wastewater peak flow detention facility to temporarily reduce wastewater flow during high flow events in the Hickory Creek drainage basin.
- Construction of a wastewater peak flow pump station at Pecan Creek.

Request for proposals result

- Two proposals received from Oscar Renda Contracting, Inc and Archer Western, LLC
- Staff recommends awarding a contract with Archer Western Construction.

There were a few questions by the Board Members.

**Board Member Bafford motioned to approve with a second by Board Member Soph
Vote 5-0 approved. (C. Parker abstained)**

- C. **PUB20-005** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager, or his designee, to execute a contract through the Buy Board Cooperative Purchasing Network Contract Number 601-19, for the purchase of nine (9) new refuse trucks for the Solid Waste Department; providing for the expenditure of funds therefor; and providing an effective date (File 7232 - awarded to Rush Truck Centers of Texas, LP, in the not-to-exceed amount of \$2,514,946).

Terry Kader, Fleet Services, talked about this item starting with the background summary.

Background included accelerated refuse truck replacements by working with chassis and body vendors to secure build spots.

Goals include providing reliable front-line trucks, reduce number of reserve units and reduce maintenance costs.

Kader then went over the current solid waste fleet and the purchase details.

Staff recommends recommending approval of the truck purchases.

The Board Members asked questions.

Mario Canizares stated there will be a work session in February regarding the philosophy and criteria for fleet maintenance across the organization.

**Board Member Bafford motioned to approve with a second by Board Member Soph
Vote 6-0 approved**

D. PUB20-010 - Assistant City Manager Update:

1. RFP 7152 Steel Transmission Line Poles
2. Hickory Creek Lift Station Pipe Failure
3. Green Tree Estates
4. Future Agenda Items
5. New Business Action Items

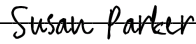
3. CONCLUDING ITEMS


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

There were no concluding items.

Adjournment: 10:03 a.m.

Approved on 1/27/2020

DocuSigned by:

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Susan Parker

DocuSigned by:

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Kim Mankin