



**City of Denton
MINUTES
PUBLIC UTILITIES BOARD**

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

Monday, January 27, 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 27, 2020 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 Billy Cheek, Secretary Ed Soph, Russell Bafford, Karen DeVinney, Charles Parker and Barbara Russell

Absent: Mario Canizares, Assistant City Manager

Ex Officio Member: Kenneth Banks, General Manager Utilities

WORK SESSION

- A. PUB20-012 - Receive a report, hold a discussion and give staff direction regarding the Pay As You Go prepaid metering program.**

Christa Foster, Customer Service Manager, gave the presentation and started with the Program Overview. The basic requirements as well as the highlights and benefits of the program were spelled out.

Pay as you go detailed the benefits for both the customer and the City.

Pay as you go customer bases are customers that need financial flexibility and consumption conscious customers.

Program results was shown on a timeline from October 2018 through January 2020.

Foster then talked about new things that will be coming up in the future in customer service. Some of those items include Post Paid Electric Usage Monitoring, Pay Near Me and Pay as You Go Educational Video Library.

Questions

Board Member Cheek inquired about training for our Customer Service Representatives. Foster answered they have been trained.

Board Member Soph stated there was an article in the Denton Record Chronicle regarding mailing the DME bill to Dallas so education will be key to dispel misinformation.

Board Member Devinney asked the relationship between the water bill and the electric bill.

Foster answered there are no electronic meters for water as they are for electric, do there is no way to tell the daily usage.

Foster talked about what reconciliation is according to water usage.

Board Member C. Parker asked the cost of this program. Foster responded the facility fee is about \$7 a month higher to use this program which covers the cost.

- B. PUB20-014** - Receive a report, hold a discussion, and give staff direction regarding updating the existing “Denton Municipal Electric - Energy Risk Management Policy.”

Phil DiPastina, Senior Risk Control Analyst at DME, gave the presentation starting with the background.

Background included the Energy Risk Management Policy that was last updated May 2019.

The 2020 Update Key Changes were detailed. There were other changes that were listed in the different sections.

Questions

Board Member Bafford asked about the frequency of the health check. Deloitte recommended it be from three to five years, seems like the market changes very frequent. DiPastina stated they have reports every day, but the over all framework would be three to five years which many of their clients are on schedule for as well.

There were many questions on this work session item by the Board Members. DiPastina and Terry Naulty, Assistant General Manager, answered.

The Board Members were in favor of this policy.

REGULAR MEETING

1. CONSENT AGENDA

- A. PUB20-017**– 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 Stearns, Conrad and Schmidt, Consulting Engineers, Inc. (dba SCS Engineers), for the installation of 12 vertical gas wells, 8” gas header piping and 6” gas lateral piping for the Solid Waste Landfill Division as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7109-002 - Professional Services Agreement for the installation of 12 vertical gas wells, 8” gas header piping and 6” gas lateral piping for the Solid Waste Landfill Division awarded to Stearns, Conrad and Schmidt, Consulting Engineers, Inc. (dba SCS Engineers), in the not-to-exceed amount of \$237,654).

Board Member Devinney asked what kind of gas was being extracted. Brian Boerner, Director Solid Waste, answered it is from the landfill so most is methane.

Board Member Devinney motioned to approve this item with a second by Board Member Cheek, vote 7-0.

- B. PUB20-018** – 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 Solutient Geosciences, Inc., for landfill hydrogeological consulting and analytical services regarding the City’s Landfill monitoring and reporting requirements as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (File 7109-005 - Professional Services Agreement for consulting and analytical services awarded to Solutient Geosciences, Inc., in the not-to-exceed amount of \$321,415).

Board Member C. Parker motioned to approve items B, C, D and E with a second by Board Member Bafford. Vote 7-0.

- C. PUB20-019** – 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 Patterson Equipment Company, LLC, which is the authorized distributor for Subsite, LLC, through the Buy Board Cooperative Purchasing Network Contract # 593-19, for parts and labor cost, maintenance and spare components for the CCTV video inspection units for the Water Utilities Department; providing for the expenditure of funds therefor; and providing an effective date (File 7276 - awarded to Patterson Equipment Company, LLC, in the three (3) year not-to-exceed amount of \$150,000)
- D. PUB20-020** - 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 HACH Company, for the purchase of various items for the municipal laboratory, water production, water reclamation, and wastewater collection departments, which is the sole provider of these products, 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 6898 - awarded to HACH Company for one (1) year, with the option for two (2) additional one (1) year extensions, in the total three (3) year not-to-exceed amount of \$300,000).
- E. PUB20-025** – 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 ITW, dba E.H. Wachs, through the Buy Board Cooperative Purchasing Network Contract # 597-19, for the acquisition of two (2) Water Valve Maintenance Skids for the Water Distribution Department; providing for the expenditure of funds therefor; and providing an effective date (File 7242 - awarded to ITW, dba E.H. Wachs, in the amount of \$161,879.66).
- F. PUB20-026** – Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of the first amendment to a Professional Services Agreement between the City of Denton and Lloyd Gosselink Rochelle & Townsend, P.C., amending the contract approved by City Council on January 10, 2017, in the not-to-exceed amount of \$715,000, to provide for services related to the permitting of the proposed expansion of the city's landfill and for general environmental legal services said first amendment to extend the term of the Professional Services Agreement to July 10, 2021; and providing an effective date (PSA 6288 - extending a contract with Lloyd Gosselink Rochelle & Townsend, P.C., to July 10, 2021).

Board Member Bafford asked the reason we hire an outside firm to interface between the technical people and the State. Brian Boerner answered they work with the State to answer questions and focus on the legal aspects of the permit. This is just an extension of their services, nothing new.

Board Member Cheek asked if this went out to bid. Boerner answered it did not, it is just an extension of the contract already in place. **Cheek asked if this was already in the budget,** Boerner answered it is.

Soph asked when the meeting will be with TCEQ, Boerner answered he is unsure.

Bafford stated to think about being more cost effective.

Board Member Cheek motioned to approve this item with a second by Board Member Devinney, vote 6-1.

2. ITEMS FOR INDIVIDUAL CONSIDERATION

A. PUB20-023 - Consider approval of the minutes of January 13, 2020.

Board Member C. Parker motioned to approve this item with a second by Board Member Soph. Vote 7-0.

B. PUB20-004 - 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 Wartsila North America, Inc., for the purchase of major overhaul parts for the electric generating equipment at the Denton Energy Center, which is the sole provider of this equipment, 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 7246 - awarded to Wartsila North America, Inc., in the not-to-exceed amount of \$2,028,967.43).

Terry Naulty started presenting this item talking about the objectives. Those objectives include achieving highest possible unit availability on each engine, forced outage readiness and to control cost of equipment and replacement energy.

Jason Brown, DEC Plant Manager, took over the presentation reiterating the need for spare parts and maintenance for the DEC.

Routine maintenance for the DEC includes a preventative maintenance program, preventative maintenance, predictive maintenance and corrective maintenance. The maintenance schedule was shown.

Major overhaul parts “swing set” was then talked about and explained. There was a listing of all the parts of the DEC. There was a list of on hand versus requested quantity.

Bafford asked if we would send the parts back to Wartsila or look for a third party for refurbishment. Brown answered it would be a third party.

Benefits of a major overhaul of the swing sets include materials will be purchased at 2019 costs, major spares on site in case of forced outages and to reduce major outage durations by about 20 days.

Brown then summarized this item.

Chair S. Parker asked why we didn’t we order the parts initially. Brown responded initially when he was hired there was a mindset, they may not need the spare parts. Parker added she is in favor.

Board Cheek asked if the parts would be used in the next 18 months, Brown added these parts are to swap the original parts out so that they can be refurbished.

Board Member C. Parker motioned to approve this item with a second by Board Member Cheek. Vote 7-0.

C. PUB20-021 – 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 Rangeline Pipeline Services, LLC, and Forterra Pipe & Precast, LLC, for various types of pipe for water line construction and repair, concrete cylinder pressure pipe, standard and emergency repair services for

water reinforced concrete cylinder pipe, reinforced concrete pipe and various drainage appurtenances such as box culverts, safety end treatments for reinforced concrete pipe for the Water Utilities, Streets and Drainage Departments; providing for the expenditure of funds therefor; and providing an effective date (RFP 7195 - awarded to the lowest responsive bidder for each line item for three (3) years, with the option for two (2) additional one (1) year extensions, for a Large Diameter Water Pipe and Repair Services contract awarded to Rangeline Pipeline Services, LLC, in the total five (5) year not-to-exceed amount of \$7,356,716.20, and a Large Diameter Reinforced Concrete Drainage Pipe and Appurtenances contract awarded to Forterra Pipe & Precast, LLC, in the total five (5) year not-to-exceed amount of \$11,887,787.40).

Becky Diviney, Deputy Director Water/Wastewater, started the presentation.

Water and wastewater utilities relies on Rangeline pipeline services for many things. Staff has been issuing Declaration of Emergencies when these events arise. Staff has worked with purchasing and they recommended a contract to allow for these types of services to be provided for water utilities. These services are for pipes from 14" to 54" in diameter, concrete pipe, steel pipe and any emergency repairs needed. Most of these pipes are in the transmission system but some are in the distribution system as well. Diviney went on to define all the services they would provide. They have helped with two different emergencies in the last eight months, a 27" raw water line, and a 20" water line with a failure.

Daniel Kremer, Deputy Director of Operations, continued the presentation regarding drainage projects.

Drainage uses the precast pipes for making emergency repairs and for box culverts and creek crossing and new small capital improvement projects. They use 17 different pipes sizes with two different classifications of strengths, 56 different box sizes, and 7 different sizes of safety end treatments.

The request for proposals result was shown.

Cheek clarified that this is a \$19 million item, Kremer agreed. **Cheek then stated there was only one bidder for each,** Kremer agreed.

Bafford asked if there was only one bidder in the DFW/Texas area for concrete pipe. Kremer was unsure of the bid information. Lori Hewell, Purchasing Manager, answered this item was sent out in the bid software to 344 vendors, the only bids received were Forterra and Rangeline. It is also advertised in the newspaper.

Board Member Cheek motioned to approve this item with a second by Board Member Devinney. Vote 7-0.

- D. PUB20-022** – Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of Change Order No. 1 to the contract between the City of Denton and Quality Excavation, LLC, for the Hinkle and Windsor Paving and Drainage Project (Magnolia PH II); providing for the expenditure of funds therefor; and providing an effective date (IFB 6902 - Change Order No. 1 in the not-to-exceed amount of \$518,744.21 for a total contract award aggregated to \$6,746,003.21).

Dusty Draper, Program Manager, talked about this item. This started as a drainage project and now the utilities portion has been added.

Cheek added he has no problem with the additional funds but asked if PUB has seen this before. Draper answered the change order hasn't, he will double check to make sure.

Board Member Bafford motioned to approve this item with a second by Board Member Cheek. Vote 7-0.

- E. PUB20-027** – Consider recommending approval of a resolution of the City of Denton, a Texas home-rule municipal corporation, allowing the City to recognize all of the Renewable Energy Credits associated with the electric power purchased by the City from the Whitetail Wind Turbine Electric Generation Facility to enable the City to accurately determine the percentage of electric power it has received that was generated exclusively from renewable resources.

Terry Naulty introduced this item as the same as two weeks ago that came through as a work session item. It was also taken to Council as work session. The direction from Council was to include all the renewable credits. The presentation was the same as two weeks ago, Naulty went through it.

Board Member Soph asked if Naulty foresees a time when Denton will be 100 percent renewable from physical energy rather than from RECs. Naulty answered to clarify, if we have a REC in our account it means physical renewal energy was generated and delivered to the ERCOT grid. We buy all our power from the ERCOT grid. **Soph then answered are there any renewable actual from the source not a REC but actually buying megawatt hours directly from a wind farm or solar farm.** Naulty then answered all of our renewable contracts are purchases from physical resources.

Cheek added he is a big fan of renewal energy. All energy that is produced goes onto a grid. Naulty answered that is correct with the exception of the energy from the landfill and the privately owned rooftop solar energy.

Board Member C. Parker motioned to approve this item with a second by Board Member Soph. Vote 7-0.

- F. PUB20-010** - Assistant City Manager Update:

1. Landfill Expansion
2. Future Agenda Items
3. 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

Board Member Cheek asked how many items that are on this PUB will go to Council at the meeting tomorrow. Banks answered he is unsure, generally most items will go on the next week of Council to have time to add the PUB voting information. In some instances where there is a timing problem, it could

go back to back meetings. **Cheek added that since Council doesn't get the minutes he is unclear of what PUB use is to the City if none of the questions or comments are given to Council. He could like Council to answer that question. This is not against staff, it is for Council.**

CLOSED MEETING

A. **PUB20-015** - 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 that includes public power competitive and financial information and matters regarding the City's electric power and gas portfolio and the City's risk management plans and strategies; and, provide staff with direction 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.

Adjournment to Closed Meeting: 10:30 am
Approved on 2/10/2020

DocuSigned by:

Susan Parker

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Susan Parker

DocuSigned by:

Kim Mankin

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Kim Mankin