



**City of Denton
MINUTES
PUBLIC UTILITIES BOARD**

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

Monday, January 28, 2019

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, January 28, 2019 at 6:00 p.m. in the Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas

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

Ex Officio Members: Mario Canizares, Assistant City Manager and Kenneth Banks, General Manager Utilities

Absent: Chair Susan Parker and Lilia Bynum

REGULAR MEETING

1. CONSENT AGENDA

A. PUB19-012 - 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 Rush Truck Center of Texas, LP, for Peterbilt repair services; which is the sole provider of these services 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 6951 - awarded to Rush Truck Center of Texas, LP, in the five (5) year not-to-exceed amount of \$450,000).

**Board Member Jackson motioned approval with a second by Board Member DeVinney.
Vote 5-0 approved**

2. ITEMS FOR INDIVIDUAL CONSIDERATION

A. PUB19-017 - Consider approval of the Public Utilities Board Meeting minutes of January 14, 2019.

Approved as circulated

B. PUB19-010 - Consider recommending adoption of an Ordinance of the City of Denton, Texas authorizing the expenditure of funds for the payment of wholesale transmission charges in the total amount of \$4,655,183.48 to Cross Texas Transmission, LLC (\$269,987.38), Electric Transmission Texas, LLC (\$1,103,574.81), Lone Star Transmission, LLC (\$333,779.25), Lower Colorado River Authority (\$1,597,852.36), Sharyland Utilities, LP (\$943,784.53), Wind Energy Transmission Texas, LLC (\$406,205.15); and, providing an effective date.

George Morrow stated they are here to get approval to pay for six invoices that have been received for transmission services.

In Texas all the entities that own transmission lines are entitled to recover a portion of their cost for that transmission based on the formula that other utilities use.

The Texas Administrative Code states: "Each transmission service provider (TSP) shall file a tariff for transmission service to establish its rates and other terms and conditions and shall apply its tariffs and rates on a non-discriminatory basis. The tariff shall apply to all Distribution Service Providers (DSP) and any entity scheduling the export of power from the ERCOT region."

The Texas Public Utility Regulatory Act provides that wholesale transmission charges are allocated on the 'postage stamp' method.

Each transmission-owning utility's share of state-wide transmission costs is based on the sum of a utility's peak loads for June through September (4CP) during ERCOT's peak hour in each of those months month divided by the total peak loads in ERCOT for those same four months.

TCOS Billing

Billings for state-mandated transmission service charges are based on 'net' costs. All transmission owners in ERCOT are entitled to be compensated for the use of their transmission assets by those that use that transmission. The TSP has a net TCOS amount in their favor issues a bill for payment by the other party. DME has received bills from six transmission owners for which the net bills for transmission service are over \$50,000 in favor of those owners.

TCOS Net Bills to DME (over \$50,000) were listed that totaled \$4,655,183.48. There are eleven other entities that will be paid during FY19 for TCOS net amount less than \$50,000.

TCOS Net Payments to DME (over \$250,000) were listed that totaled \$28,707,379.92. DME will receive net TCOS payments from 68 other entities during FY19 in lesser amounts.

Requested Action

That the PUB recommend approval of an Ordinance authorizing the City to make TCOS payments to six entities in the amount of \$4,655,183.48, subject to minor adjustments (less than five percent) for future true-ups by the PUCT.

Board Member Carroll asked if the bills are paid or are they negotiated. Morrow stated they are set for and established by the PUCT. These are mandated by regulatory.

Board Member Cheek motioned approval with a second by Board Member Jackson.

Vote 5-0 approved

- C. **PUB19-015** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a public works contract with Quality Excavation, Ltd., for the construction of the Hinkle and Windsor Paving and Drainage Project (Magnolia Phase II) for the City of Denton; providing for the expenditure of funds therefor; and providing an effective date (IFB 6902 - awarded to Quality Excavation, Ltd., in the not-to-exceed amount of \$6,227,259).

Board Member Cheek recused himself from this item.

Michael Smith gave the presentation, stating this is the Hinkle and Windsor Paving and Drainage Project. The majority of this project will be paid by bonds.

Project overview, a map was shown of the area.

- Two land roadway – full pavement replacement
- Storm Drain System construction
- Sanitary Sewer modification
- Curb and Gutter – replace damaged/deteriorated sections
- Sidewalk – replaced damaged/deteriorated sections
- Construction timeframe is 390 days
- Base Bid includes underground storm drain replacing concrete lined channel in Alternate Bid.

Bid results were shown with six bidders listed.

Recommendation is to recommend adoption of an ordinance by the City accepting competitive bids and executing a construction contract with Quality Excavation, Ltd. For the base bid construction of the Hinkle and Windsor Paving and Drainage Project in the amount of \$6,227,259.50.

Board Member Carroll asked if the box culverts are covered with grass or sidewalk. Smith answered both, part will be under sidewalks and under green space as well.

Board Member DeVinney asked if there are new sidewalks or just replacement. Smith answered mostly repaired, in front of Good Samaritan the sidewalks will be reoriented but no new additional sidewalks. DeVinney then asked what is the walkability of Hinkle, can you get to Northlakes Park. On the west side you can, on the east side there is not a contiguous sidewalk. DeVinney asked if this is associated with the construction on the west side of Windsor. Smith answered that is Fireside Development they will tie into our new storm drain system and sanitary sewer system. They will provide sidewalks in front of their development.

Board Member Bishop motioned approval with a second by Board Member DeVinney. Vote 4-0 approved.

D. PUB19-018 - ACM Update:

1. FY 18-19 Denton Energy Center Dashboard 1st quarter
2. Nov 2018 CIP Report
3. Informal Staff Report Mews Street Update - Dumpsters
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: 6:30pm

Approved Feb. 11, 2019

DocuSigned by:
Susan Parker
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5/28/2019