



**City of Denton
MINUTES
PUBLIC UTILITIES BOARD**

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

Monday, March 25, 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, March 25, 2019 at 6:00 p.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, Lilia Bynum, Billy Cheek, Karen DeVinney, and Charles Jackson

Ex Officio Member: Kenneth Banks, General Manager of Utilities

WORK SESSION

- A. PUB19-016** - Receive a report, hold a discussion, and consider recommending approval of Wastewater Service Agreements with Robson Development, L.P., Hillwood Investment Land L.P., and Petrus Investment, L.P., for diversion of wastewater flows from Robson Ranch Water Reclamation Plant to the Denton wastewater collection system.

Kenneth Banks started the presentation stating this project has been in the works for a couple of years.

Background

- Robson Ranch Water Reclamation Plant (RRWRP) exclusively serves Robson Ranch.
- Currently, the RRWRP treats 375,000 gallons per day and is reaching capacity
- Robson at full development will require treatment for 1.6 million gallons per day
- Expanding the RRWRP will be expensive for Robson Ranch
- Maintaining and operating the plant will be expensive for Denton.
- In the future, Denton will need to construct a larger wastewater treatment plant to service the entire the Hickory Creek sewer basin.

Wastewater Diversion Project

- In July 2015, the Denton City Manager, Assistant City Manager – Utilities, and Wastewater staff met with Robson developers to discuss wastewater service options.
- During this meeting, Denton staff reached an understanding with Robson staff to abandon the RRWRP and pump all wastewater flows from Robson Ranch to Denton's wastewater collection system to be treated at the Pecan Creek Plant.
- This project provides benefits for Robson Ranch and the City.

Robson Wastewater Agreement Highlights

- Denton will facilitate acquisition of offsite easements, complete design, and construct the wastewater diversion facilities.
- Robson will pay \$4 million for the wastewater diversion project.
- Once the diversion project is completed and in service, Robson will pay wastewater impact fees.
- With the project in place, the RRWP will not need to be expanded, and will be decommissioned and converted into a pump station.

-Robson will receive a credit of \$1,000 per new home for wastewater impact fees for a total of \$1,000,000.

Banks then showed a map of the Robson system as it exists today and explained how the system runs. There was an additional map that showed the force main and a gravity main that will be built and where it will tie on to an existing 18 inch gravity sewer main just east of I-35W.

Petrus/Hillwood Agreement Highlights

- Denton staff worked with Petrus Investment L.P., and Hillwood Investment Land, L.P.) to acquire the needed offsite easements that run through the Hunter Ranch property.
- A development agreement for Wastewater Services including Easement documents was created.
- Easements are granted at a nominal \$20.
- Hunter Ranch is provided wastewater capacity in the gravity main running through the property for at least 800 Single Family Equivalents.
- Wastewater impact fees are required for all connections.
- Robson flows will be routed through Hunter Ranch and Cole Ranch at some point in the future. After the sewer lines in these developments have been constructed and waste transferred to this system, the existing force main from Robson will be abandoned.

Summary

Robson Agreement

- Robson Agreement cost is \$4,000,000.
- Robson Benefits by avoiding cost of additional plant expansion and permit requirements and impact fee credit.
- Denton cost is \$0.

Petrus/Hillwood Agreement

- Petrus/Hillwood Agreement cost is the dedication of the land.
- Hillwood Benefits by receiving 800 SFE wastewater capacity.
- Denton cost is \$20.

Denton Savings with Wastewater Diversion Project instead of 1.6 MGD Plant

- Annual O&M Cost difference annually is \$830,000
- Total 20 year O&M Cost difference is \$16,600,000

This provides benefits to everyone and Denton avoids the operational costs while Robson avoids the cost of the plant and Petrus/Hillwood has the 800 SFE capacity.

Board Member Bynum asked why we are giving credit for the impact fees. Banks answered the impact fees are designed to charge for the impact on the system. The impact on this system is two-fold; costs to build this wastewater main system, pump station and the components internal to Robson, and the treatment capacity at Pecan Creek. Credit is because they are paying for the entirety of the system at the time it is installed. After the 1,000 homes are built and meters are installed the remainder will be at full cost of the impact fees.

Bynum then asked why they built this plant that wouldn't sustain their growth and the Denton rate payers would have to cover a portion of the costs. Banks answered the plant cost have gone up dramatically on the consumer price index. As far as Denton rate payers paying a portion, this is a cost neutral situation for the rate payers because they are paying the wastewater fees, are paying the construction costs and impact fees.

Board Member Devinney asked if the plant has the capacity for the additional wastewater from Robson. Banks answered we do have the capacity to treat it, at some point in the future we will be

looking at locating a Wastewater Treatment Facility within the Hickory Creek area. There is another project a little later this evening for design work and experimental work at the Pecan Creek Plant which appears to allow with the current foot print between 4,000,000 and 5,000,000 gallons per day of additional capacity. That amount will buy a good amount of time with this waste stream in place. It will also allow the City to push off building the Hickory Creek Plant as long as we possibly can.

Board Member Carroll asked if there were any challenges with building this line, Banks answered there isn't.

Board Member Cheek asked what the current wastewater impact fee is currently. Banks answered it is \$4,712 for wastewater. Cheek then asked since it is going across Cole and Hillwood properties will it be upsized to handle all the new homes. Banks answered it is on the gravity portion, that is where they will using it for the 800 SFE, the force main portion will be abandoned. There was further discussion regarding the wastewater line.

Cheek asked about the \$4,000,000 if that is a flat rate or could change with construction. Banks answered in house crews will be putting in the line and we know those costs, only materials could change. Cheek stated there is talk about not doing as many in-house projects. Banks answered he is confident we can get the line in for the amount.

Banks pointed out the consent agenda items that need to be approved for this agenda item.

B. PUB19-049 - Provide a report, hold a discussion, and give staff direction regarding the Credit and Collection Policy of the City Utility System.

Tiffany Thomson begin with introductions from new Customer Service Manager, Christa Foster and Navigant Consulting, Christine the consulting firm from 2008 to look at operations.

Christine Kozlosky with Navigant started the presentation stating back in 2008 they did a broad study of customer service. The study from this year focused on the credit and collections area.

Background

Navigant conducted a focused operational assessment of the Credit & Collections function for the City of Denton with the goal of identifying actin items or areas of focus for further improvement. Results were also contrasted to a similar assessment conducted as part of the 2008 DME Management Review.

- Interviewed management and staff; customer service, electric, water, wastewater and solid waste
- Observed business processes and customer transactions
- Reviewed reports and business documents
- Gathered workload, cost, and performance data
- Benchmarked cost and service level performance to industry

Scope of Review

- Revenue collection cycle and practices

Next Kozlosky talked about the recommendations that were adopted in 2010 and 2011 and then the changes that were adopted in February 2018.

Benchmarks

Navigant compared Denton's credit and collection practices to 15 other municipal utilities in Texas. Denton was also compared to the Navigant database of about 59 other U.S. utilities.

Kozlosky then showed the results of the Texas panel that included the following characteristics.

- Most supply electric and water service
- Range in size from 5,300 to 820,000 customers
- 50 percent have a significant population of AMI smart meters
- 38 percent require two times average bill security deposits
- 62 percent waive deposits with letter of credit
- 19 percent use credit scoring to waive deposits for customers with good payment history
- 19 percent do not waive deposits
- Denton uses credit scoring to waive deposits

There was a table with the results, it is very comparable.

- Denton's timeline compares favorably to other AMI-enabled cities in Texas and the panel average:
 - *Debt is written-off in a timelier manner.
 - *Denton's disconnect fees are significantly lower than panel and AMI average
- 80 percent of panel participants charge an additional fee for same-day reconnects
- Denton's fixed late fee varies from the panel who apply a fixed percentage late fee

Next Kozlosky talked about Denton's performance against their benchmark panel of utilities and the data that was collected.

- Number of customers served
- Number of collection actions completed annually
 - *Collection actions include: Active and inactive collections activities such as preparing orders for field collection or disconnection, preparing reports to write-off accounts, referring account to outside collectors, reinstating accounts, skip tracing and account research, follow-up on disconnected accounts, bankruptcy administration, dunning (outbound calls and letters).
- Number of employees completing collection actions
- Total annual uncollectible accounts receivables
- Total annual revenue
- Labor costs, overtime costs, outside contractor costs, and non-labor costs for the employees completing collection actions.
- Using this data we are able to calculate performance metrics that measure Denton's collection efficiency and effectiveness.

Navigant compared Denton's Credit and Collection performance to their benchmark panel using the following metrics.

- Percent net write-offs (Uncollectible accounts receivables written off /Total revenue)
- Equivalent Number of Days Revenue Outstanding (12-month average receivables/12-month average daily sales)
- Collection Actions Completed per Collection Employee (Collection Actions Completed/Employees Completing Collection Actions)
- Cost per Collection Action (Total Collection Costs/Collection Actions Completed)

Kozlosky stated that the 2008 benchmarks revealed high levels of bad debt as compared to the Navigant benchmark panels.

- The 2018 benchmarks show significantly reduced levels of bad debt.
- Denton leads 2018 benchmark panel for Percent of Net Write-offs

Next Kozlosky stated that the next metric is called (ENDRO) Equivalent Number of Days Revenue Outstanding improved significantly since 2008.

- In 2018, Denton exceeds all industry segments for ENDRO.
- ENDRO has been positively impacted by the shortened collection timeline and late fee increase.

The next charts looked at efficiency.

- Cost per Collection Action Taken has improved since 2008.
- Denton exceeds all industry segments for Cost per Collection Action Taken.

- Collection Action per Person (productivity) has improved since 2008.
- In 2008 and 2018 Denton exceeds all industry segments.

A list of the benchmark participants were shown.

Finding

Denton has achieved great progress on implementing prior study recommendations.

2008

- Bad debt was not written off the books
- Large bad debt allowance
- One-size-fits-all collection strategy
- *No consideration of credit risk or collection history
- Not routinely refunding deposits
- No collection treatment for delinquent drainage or solid waste accounts
- Accounts were quote old when turned over to a collection agency (120+ days)

2018

- Bad debt is now routinely written off the books
- Bad debt has delinked significantly
- Using credit scoring and identify verification for all applicants and internal credit ratings to drive collection treatment
- Effective credit screening makes the application process easier for good paying customers (and the City).
- Routinely refunding deposits for 12 months good payment
- Liens now used for delinquent drainage accounts
- Account referred to collection agency at 90 days

Lastly in findings, bad debt has been reduced significantly over the past five years.

The number of account in arrears dropped substantially following the increase in late fees in 2011.

Denton has leveraged key technologies to enhance the collections process. There are better conversations with customers. Denton's collection treatment is more effective. Benchmarks from 2008 to 2018 reveal a high level of Credit & Collection performance.

Denton compares favorably to other municipalities in Texas and nationwide.

-However, changes to credit requirements and collection policy in early 2018 have negatively impacted

Denton's bad debt performance and now seeing increase in inactive accounts referred to outside collector. Bad debt write-offs are rising as is the average bad debt per delinquent account.

-While Denton has done a lot to automate collection treatment, many activities are still processed manually.

-Denton does not offer customers self-service options for payment extensions or payment plans.

Credit and Collections Recommendations

Continue Best Practice Success

- Targeted risk-based collection approach
- 90-day collection agency referrals
- Efficient and effective communications
- Payment extensions and plans
- Cross-trained staff
- Crisis assistance
- “Pay As You Go” program
- Energy audits

Growth and Opportunity

- IVR and Web enhancements to increase self-service
- Explore further automation of routine collection activities
- Monitor customer behaviors closely
- Expand customer outreach for crisis assistance
- Increase CSR training to improve counseling for payment-challenged customers
- Continue investigating options to help payment-challenged customers reduce bills

Customer Service Recommendations

- 14 percent increase of bad debt for the 6 months following 2018 credit and collection changes suggests negative trending which requires additional effort to mitigate risk:
- Monitor unsecured accounts more closely
- Enhance analytics to segment and track customer payment behavior
- Assess need for security deposits upon change in credit rating rather than quarterly
- Trigger deposit assessments following departure from autopay
- Continue referring inactive accounts to collection agencies at 90 days
- Critical review of these changes would be beneficial and any further impacts to credit requirements may result in significant negative performance and debt accumulation.
- Promotion and growth of the “Pay As You Go” program is an excellent tool to reduce deposit burden on the customer without a negative impact to debt performance.

Board Member Carroll asked if one account can have multiple collection actions. Kozlosky answered yes, within one month you could be assessed a late fee, and receive a call if payment is still not received, receive a call to say you will be disconnected, and then finally disconnected.

Chair Parker asked if the 14 percent increase was primarily residential. Kozlosky answered yes.

Tiffany Thomson then gave her presentation stating she will go over the impacts that customer service has made.

Background

November 16, 2010, Ordinance 2010-292 approved implementation of best practices recommended by a 2009 Navigant debt study.

City Council Direction

Council requested changes be made to the credit and collections policies. In February 2018, the following changes were made:

- PLUS One utility assistance program enhancements were made
- Additional deposit waiver options were introduced

Additional changes made

- Overdue interest is no longer a rated credit event

-The internal credit rating scale was modified as well

Results: Deposit Waivers

- The Homelessness Deposit Waiver has assisted eight residents reducing their total costs by \$1,595 in deposits.
- Implementation deposit waivers for pre-authorized payments has increased the payment channel participation.
- Approximately 55 percent of customers identified in routine deposit assessment audits are customers who received a pre-authorized payment waiver, but failed to enroll or maintain pre-authorized payments

Impacts: Deposits on File

- The overall collection of deposit protection, which reduces unrecoverable debt has decreased.
- Residential/Multifamily Deposit Health:
 - *33% fewer accounts have deposits
 - *Deposit balance reduction of \$822,108 (27%)
 - *13% of accounts have deposits (down 7%)

Impacts: Unrecoverable Debt Risk

- Residential & Multifamily debt accounts for \$386,144 of \$419,722 in FY 2017-18 bad debt
 - *FY 2017-18 experienced a \$38,700 increase in total debt
 - *February-July 2018 debt is \$21,500 higher than the same period prior year
- Thomson added that there isn't a full year of data yet, this is projections.

Review: PLUS One Assistance Program

Recent review of the client experience with Interfaith Ministries identified areas for increased assessment and improvement in services to the public.

Areas of Focus and Monitoring:

- Customer service provided to clients throughout the assistance process
- Increased responsiveness to clients and improved sense of urgency
- Improvement to accuracy and consistency of information on website and voice messages
- Enhanced customer service approach with clients

The metrics of the PLUS One program were shown in areas of focus and monitoring.

Increased funding and assistance guidelines have made a positive impact overall.

Review: Pay as you go program

Prepaid services provide all customers with greater control of their utility expenses, alleviates deposits, payment penalties, and reduces unrecoverable debt. The success of this program was shown.

Continued Improvement

Internal analysis and review of Navigant findings have refined areas of focus as related to Customer Service credit and collections performance and monitoring.

Opportunities were shown and discussed including:

- Closely monitor debt impacts, deposits & waivers
- Enhancements of the PLUS One program
- Increase Pay As You Go Adoption

Cheek asked about the additional funds forecast for PLUS One Program, how it works and how citizens get the monies needed. Thomson stated the City of Denton sends Interfaith Ministries a check each quarter for this program. Staff receives a report from them weekly and lets them know daily which account is being helped so staff can add that to the account. All the funds for each year are used. The average amount a customer receives is \$369, about 40 percent is over \$500. There was additional discussion regarding the funding and program changes.

Carroll asked about the prepay account. Thomson explained how this program works and some of the challenges.

Carroll then asked after 90 days we send the bill for collections, is that service bid out annually? Thomson answered it is a three year contract, but it is bid out initially.

Parker asked about the difference in deposits and if the two month was maintained, if it would make a difference. Thomson answered the one month deposit doesn't cover the bills.

Thomson stated they will take this item to Council and if the additional funds for PLUS One are approved, they will be back for a Budget Amendment.

C. PUB19-052 - Receive a report, hold discussion and provide staff direction on the Pecan Creek Water Reclamation Plant capacity expansion feasibility assessment study.

P.S. Arora began with introducing Brad Miller with Hazen and Sawyer, Project Manager that will give a portion of this presentation.

Background

- The Pecan Creek Water Reclamation Plant (PCWRP) provides almost all of Denton's wastewater treatment service.
- PCWRP is permitted to treat 21 million gallons per day (mgd) average daily flow and 46 mgd 2-hour maximum flow.
- The Texas Commission on Environmental Quality (TCEQ), capacity rules determine when plant capacity has to be added to accommodate higher flows. (75% / 15.75 mgd, design begins. 90% / 18.90 mgd, construction begins).

Arora showed the populations, flows and projected flows from 2014 to 2023.

- Wastewater treatment plant costs have escalated substantially above inflation rates in recent years.
- Staff research indicated costs for additional capacity tend to range from \$10 to over \$20 per gallon of wastewater treated
- Staff estimates that a 5 million gallon plant could range between \$50 to \$75 million based on the level of treatment required by the regulatory agencies.

Miller with Hazen and Sawyer took over the presentation.

PCWRP Capacity Upgrade Evaluation

- Staff enacted an effort to evaluate capacity expansion of the PCWRP using enhancements of existing processes and infrastructure.
- The goal was to determine if using enhancements of existing processes and infrastructure could provide capacity increases at a lower cost.

- Criteria used in the analyses included a capacity expansion of 5 mgd average daily flow, using the existing footprint of the plant, and evaluating enhanced treatment technologies that are currently in use in Europe, Canada, and are beginning to be used in USA
- Staff had worked with Hazen and Sawyer (Hazen) to develop a computer process model of the plant in 2016
- The same mode was used to model new process technologies

PCWRP Capacity Upgrade Evaluation Scope

1. Enhance primary treatment

- Chemically Enhanced Primary Treatment (CEPT)
- Primary Filtration
- Evoqua Captivator™ System

2. Secondary treatment

- Evoqua BioMag™
- IFAS
- MABR
- Site specific clarifier configuration and settling characteristics

3. Recycle solids

- Improve solids capture for all solids handling facilities.

PCWRP Capacity Upgrade Evaluation Result

- Results show that the Chemically Enhanced Primary Treatment (CEPT) process is the least cost option to add 5 MGD capacity
- The planning level capital cost estimate show a \$2.80 per gallon cost for wastewater treatment capacity added.
- For 5 million gallon capacity addition, the planning level capital cost estimate is \$13.9 million.
- This compares favorably with \$50 to \$75 million for a new plant construction.

Arora came back to complete the presentation.

Benefits of PCWRP Capacity Addition

- Using current population projections, a 5 MGD capacity increase can defer a new plant construction (in Hickory Creek Basin) possibly up to 2040.
- In addition, the proposed Clear Creek Basin Plant will not be needed since capacity will be available in the PCWRP for wastewater from the Clear Creek Basin.

Regulatory Approvals

- To prove validity of the CEPT the existing plant will need to be run in CEPT mode
- The estimated cost of the CEPT process upgrade is \$100,000
- The plant process data of running in CEPT mode and the effluent quality results for a year will be submitted to TCEQ to request a formal permit modification for 5 MGD capacity addition.

Staff Recommendation

- Staff is seeking direction to proceed with the CEPT process option
- Upon receiving direction to proceed, the Phase 1 CEPT item will be presented to PUB and Council as future Consent Agenda item.

Board Member Carroll asked if we would switch to the CEPT process but not do the treatment. Arora answered we would perform the treatment as well. Carroll then asked how is what we are going to do differ from what we are currently doing. Arora answered the \$100,000 is to install the initial system. In the future there will have to be large components added for the additional capacity needed.

Chair Parker added this is more like the pilot project to prove it works, Arora agreed.

Carroll then asked about the historical data that was provided particularly year 2017 where the flows went down. Arora answered in years 2015 and 2016 they were rainy years and inflow and infiltration was a big problem where pipes were cracked and the rain would get into the system. TCEQ noted that happened in other areas like it did in Denton. We have a very robust inflow and infiltration system in place that helps as you can see 2018 was even lower. There has been a lot of time and money put into the existing sewer system.

Parker asked if there is another place that is using this CEPT process. Arora answered it is not new.

Cheek asked what the \$14.9 million dollars would pay for. Arora answered it would pay for the 5 mgd expansion which includes the digester, aeration equipment, compressors, solids handling will need to be upsized. Miller added that the vast majority would be in solids handling and then explained the processes.

Arora stated with the agreement from this Board, staff will start getting the information needed including the bid process together.

There was some final discussion.

The Board agreed to move forward.

REGULAR MEETING

1. CONSENT AGENDA

- A. PUB19-019** - Consider recommending adoption of an ordinance approving a Wastewater Service Agreement between the City of Denton, Petrus Investments, L.P., a Texas limited partnership, and Hillwood Investment Land, L.P., a Texas Limited Partnership, providing for the conveyance of easements from Petrus Investment, LP, to the City of Denton for construction of the Robson Ranch Wastewater Diversion Project and providing for wastewater service to Hunter Ranch for at least 800 single family equivalent capacity upon completion of the Robson Ranch Wastewater Diversion Project; authorizing the City Manager to execute the agreement; and providing an effective date.
- B. PUB19-020** - Consider recommending adoption of an ordinance approving an agreement regarding the provision of wastewater service for Robson Ranch between the City of Denton and Robson Development, LP, A Arizona limited partnership; authorizing the City Manager to execute the agreement; and providing as effective date.
- C. PUB19-037** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a fourth amendment to a Professional Services Agreement between the City of Denton and Parkhill Smith & Cooper, amending the contract approved by City Council on April 5, 2016, in the not-to-exceed amount of \$274,150, amended by Amendments 1-3 approved by Purchasing Staff; said fourth amendment to provide professional and engineering services in the preparation, development, and submittal of the permit application and the associated services required to secure a Permit Amendment for the City of Denton's Municipal Solid Waste (MSW) Facility, MSW Permit# 1590B in the amount of \$85,500; providing for the expenditure of funds therefor; and providing an effective date (File 6097 - providing for an additional fourth

amendment expenditure amount not-to-exceed \$85,500, with the total contract amount not-to-exceed \$429,010).

- D. PUB19-038** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a first amendment to a Professional Services Agreement between the City of Denton and Huitt-Zollars, Inc., for Professional Design Services for the McKinney Street Widening Project; amending the contract approved by City Council on October 23, 2018, in the not-to-exceed amount of \$1,641,200; providing for the expenditure of funds therefor; and providing an effective date (RFQ 6590-040 - providing for an additional expenditure amount not-to-exceed \$382,600, for a total contract amount not-to-exceed \$2,023,800).

Board Member Cheek pulled this item for further questions. Cheek asked if the additional expenditures is for right-of-way that wasn't planned for originally. Jim Jenks answered it is for additional easements and right-of-way partial acquisitions that weren't immediately apparent but were found to be necessary.

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

- E. PUB19-039** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a first amendment to a Professional Services Agreement between the City of Denton and Teague Nall and Perkins, Inc., for Professional Engineering Services for the West Hickory Street Drainage, Paving and Sidewalks Project, amending the contract approved by City Council on October 16, 2018, in the not-to-exceed amount of \$167,500; providing for the expenditure of funds therefor; and providing an effective date (RFQ 6590-043 - providing for an additional expenditure amount not-to-exceed \$90,300, for a total contract amount not-to-exceed \$257,800).

- F. PUB19-040** - Consider recommending ratification of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Integrity Municipal Systems, LLC, to refurbish the bulk caustic storage tank for the chlorine scrubber system of the City of Denton's Lake Ray Roberts Water Treatment Plant; providing for the expenditure of funds therefor; and providing an effective date (IFB 6750 - awarded to Integrity Municipal Systems, LLC, in the not-to-exceed amount of \$111,400).

- G. PUB19-041** - 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 TXMAS Cooperative Purchasing Network Contract Number 17-8407 for the acquisition of footwear for the City of Denton; providing for the expenditure of funds therefor; and providing an effective date (File 6982 - awarded to Red Wing Shoes in the four (4) year not-to-exceed amount of \$400,000).

Board Member Carroll pulled this item for further questions. Carroll asked how many employees are provided these safety boots/shoes. Cassey Ogden answered she doesn't have the exact number but it includes all field personnel; Water, wastewater, drainage, solid waste, warehouse staff, parks, airport, and DME. The boots cost up to \$150 a pair, with one pair a year. Carroll asked if staff has any financial responsibility for these boots. Ogden answered the City provides them.

Board Member Carroll motioned to approve this item with a second by Board Member Bynum. Vote 7-0 approved

- H. PUB19-042** - Consider recommending ratification of an ordinance of the City of Denton, Texas, a Texas home-rule municipal corporation, authorizing the approval of a first amendment to a contract between the City of Denton and Classic Landscapes, Inc., for Landscape and Sod Replacement Services for various City departments, amending the contract approved by City Council on June 7, 2016, in the not-to-exceed amount of \$500,000; providing for the expenditure of funds therefor; and providing an effective date (File 6098 – providing for an additional expenditure amount not-to-exceed \$125,000, for a total contract amount not-to-exceed \$625,000).

- I. PUB19-048** - Consider recommending adoption of an ordinance granting approval, in accordance with Chapter 26 of the Texas Parks and Wildlife Code, of the non-park use of a part of Southwest Park for the purpose of installing and maintaining water line for the Allred Water Transmission Main Project and for the maintenance of the existing water transmission line parallel to South Bonnie Brae Street; providing for a notice by the City of Denton of non-park use for installation and maintenance of water line and reservation of easement in the event of sale of park; and providing an effective date.

- J. PUB19-051** - 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 Teague Nall and Perkins, Inc., for professional surveying services as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 6965-Professional Services Agreement for professional surveying services awarded to Teague Nall and Perkins, Inc., in the not-to-exceed amount of \$900,000).

Board Member Carroll motioned to approve items A, B, C, E, F, H, I, J with a second by Board Member Jackson. Vote 7-0 approved

CLOSED MEETING

- A. PUB19-027** - 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.

- B. PUB19-046** - Deliberations Regarding Certain Public Power Utilities: Competitive Matters – Under Texas Government Code Section 551.086.

Receive a presentation from staff regarding public power competitive and financial matters pertaining to the purchase of renewable energy; discuss and deliberate strategies and opportunities for the City to acquire renewable energy and enter into agreements regarding the same.

2. ITEMS FOR INDIVIDUAL CONSIDERATION

A. **PUB19-043** - Consider approval of the Public Utilities Board Meeting minutes of February 25, 2019.

Approved as circulated

B. **PUB19-028** - 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 stated this item is for a proposed natural gas contract for the DEC.

Background

- The City's current natural gas supply arrangement for the DEC expires on March 31, 2019.
- A new natural gas supply arrangement has been developed with a qualified and capable supplier – Enterprise Products Operation, LLC.
- Due to the confidentiality provisions of standard natural gas supply arrangements, the terms of the base gas contract must be redacted.

There was a closed session item regarding this item earlier in the meeting.

Recommendation

- Consider recommending approval of an ordinance authorizing the City Manager to enter into a new natural gas purchase arrangement with Enterprise Products Operating, LLC.

**Board Member Cheek motioned approval with a second by Board Member Carroll.
Vote 7-0 approved**

C. **PUB19-044** - ACM Update:

1. FY 2018-19 First Quarter Financial Report
2. Wastewater Service Agreement Update
3. Georgetown TX Power Supply Overview
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: 8:30pm

Approved on April 8, 2019

DocuSigned by:
Susan Parker
D7178552EE3B4F6...

5/28/2019