



City of Denton
MINUTES
Public Utilities Board

City Hall
 215 E. McKinney St. Denton, Texas 76201
www.cityofdenton.com

Monday, April 8, 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 convened into an open meeting on Monday, April 8, 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, Lilia Bynum, Billy Cheek, Karen DeVinney and Charles Jackson

Ex Officio Members: Mario Canizares, ACM; Kenneth Banks, General Manager Utilities

WORK SESSION

A. PUB19-061 - Receive a report, hold a discussion, and give staff direction regarding the 2019 Water Conservation Plan and the Drought Contingency Plan of the City of Denton, Texas.

Frank Pugsley stated this item was presented to Council on April 2 due to some scheduling conflicts. At that time Council did not make any recommended changes to the plan. There is also a consent agenda item that recommends adoption of this ordinance. Pugsley then introduced Tyler Dawson to give the presentation.

Dawson started the presentation stating that this plan was first adopted in 2000. The Texas Commission on Environmental Quality (TCEQ) has developed guidelines and requirements governing the development of water conservation and drought contingency plans for public water suppliers. There are required updates every five years. A Public Hearing was held on March 14 for public feedback.

The plan consist of two primary components: Water Conservation Plan and the Drought Contingency Plan. Water Conservation Plan is our approach to long term water resource management, manage our resources better. The Drought Contingency Plan only comes into play in times of drought or emergencies.

Dawson then showed a graph with the water conservation goal. The actual is below the goal which shows how well our community is doing with the Water Conservation Plan and with the wetter weather conditions in the last five years.

The Water Conservation Plan is built around the Best Management Practices (BMP) that is published by the Texas Water Development Board. There is a list of practices that are chosen to best fit our plan. Dawson showed the list of Conservation Plan Components. Most of these have been in place for 10 years.

Areas to the conservation plan that were updated includes: Accurate metering of raw water supplies and treated water deliveries, Determination and control of water loss and Non-promotional water rate structure.

New Additions include: Public Education and Information; partnerships with non-profits and Park, athletic fields and golf course conservation.

Dawson then talked about the Drought Contingency Plan. This is not a day to day program only when needed.

The drought plan stage triggers were shown on a table with the initial trigger (A) condition being the total raw water supply that is left in the lakes. An example was given is the lakes drop below 65 percent full or 35 percent depleted then the Drought Contingency Plan can be enacted at Stage 1. Stage 2 increases when the levels drop to 50 percent and Stage 3 is enacted when the lakes drop to 35 percent of their capacity.

Dawson went on to talk about condition (B) which is the amount of water needed by our customers. Stage 1 - if water demand reached or exceeds 85 percent of the delivery capacity for four consecutive days, Stage 2 is 90 percent for three days and Stage 3 is 95 percent for two days.

Condition (C) has all the remainder information needed for emergencies.

We have over 600 miles of water main in the City, there are two water plants with two additional pump stations, and six water storage tanks. Staff does a good job of maintaining the infrastructure but if there is an emergency we can enact the Drought Plan in response.

The Drought Plan has been in place since 2000 and has not been enacted upon.

Drought Plan stage responses are listed below.

Stage 1 – Require all landscape watering be limited to two day of week schedule

Encourage reduced water use

Stage 2 – Require all landscape watering be limited to one day of week schedule

Restrictions for water use in ornamental fountains, transportation vehicles, pools and foundations

Stage 3 – No irrigation of landscapes

No water use for cleaning transportation vehicles or hosing off

No filling, refilling or adding water to pools, spas, ponds ect.

Dawson stated there are resources on the City of Denton Website (Cityofdenton.com) and Sustainable Denton website (sustainabledenton.com) for more information.

Karen DeVinney asked if gas drillers use city water. Dawson answered they can, it is a case by case basis. She then asked where they would otherwise get their water. Kenneth Banks answered there are several ways to get water, surface pond that is used for agriculture purposes, ground water well, or they can get a meter from the Water Meter Department attach it to a fire hydrant for metered use. During the time where the most wells were being fractured the percent was only one or two percent of the overall usage.

Carroll asked if the plan is successful in getting the water usage down during the times of need. Dawson answered that staff has used area cities to get the information together for the drought plan, The City of Denton has not enacted the Drought Plan. We team up with the City of Dallas since we use the same

lakes.

B. PUB19-064 - Receive a report, hold a discussion, and give staff direction regarding the Solid Waste department's Enhanced Liquids Recirculation Program.

Brian Boerner, Deputy Director of Solid Waste, started the presentation and introduced Ethan Cox, Director of Solid Waste, Kevin Yard and David Mezzacappa are engineers with SCS Engineering. They are partners in this evaluation and some of the best in the country. The findings of their study will be given today.

Boerner mentioned about a year ago Blue Ridge Consulting gave a list of recommendations regarding the evaluation of the solid waste services. In the last year staff has been taking care of an in depth business case analysis. There will be others brought forth at a later date, this is the next one in line.

Boerner stated this is fairly technical and will keep it as high level as he can, but some will be very technical.

Landfills are highly engineered and regulated through the Texas Commission of Environmental Quality (TCEQ) as well as the Environmental Protection Agency (EPA).

All landfills have to maintain a gas collection and monitoring system. Infrastructure is put in place to either collect this gas or to flare it off. Many landfills use the landfill gas to energy system. Since 2004 DTE has operated Denton's gas to energy system. That electricity is purchased by DME. There is another option which is the Enhanced Leachate Recirculation system (ELRS). There are about 3,000 permitted landfills in the United States roughly 38 have some type of an ELRS. The question here is does it make sense for Denton to have this ELRS.

Boerner showed various definitions that is used including Leachate, Leachate Recirculation and Landfill Gas.

In 2005 staff at that time proposed and received approval for and ERLS.

The anticipated benefits were:

- Environmental risk is reduced
- Enhanced methane gas production
- Accelerated waste settlement & increased site life
- Post-closure maintenance is reduced
- Costs offset by additional revenue

Boerner used a photo and demonstrated how the ELRS works.

Next the question was presented is the ELRS working? From the environmental risk, staff has not seen the reduction that was anticipated. The EPA nor TCEQ has enacted the regulations that allow for the 30 years to be cut down. Additionally by producing more gas, there is a potential increase in landfill gas and

migration outside the landfill. Additional efforts are in place to keep 'seeps and outbreaks' to a minimum. There is a marginal benefit to the Enhanced LFG Generation. Gas production has increased but not fully utilized. The LFGE equipment is at full operational capacity. Regarding the accelerated incremental landfill settlement, it is largely successful in 2017-2018. The ELRS was not operated in those years for a couple of reasons; repairs and wet conditions from weather. The estimated total settlement was 15,000 cubic yards.

Chair Parker asked if there was more settlement in the years previous where the ELRS was running, Boerner responded no, it has been consistent.

At this point there is no liability benefit to running the ELRS.

Parker then asked why staff thought there would be a benefit. Boerner stated this was enacted back in 2002 and they can only speculate that there was hope to be successful.

Boerner then talked about from a financial standpoint. The ELRS was suspended in January 2018. There is some revenue from the gas to energy from DTE. If the system was brought back on-line and up to speed to run as necessary it is estimated to cost an additional \$935,000 per year over what is received in revenue. This amount is not in the current budget and if that is recommended staff would have to submit a submittal budget package.

Next Boerner stated that DTE Biomass has a long term agreement for the landfill gas to energy. This agreement expires in 2024. The scope of that agreement is the rights to lease, collect and sell the gas to DME. The one engine that is on site is running to capacity, and not enough gas to bring on a second engine. Even if there was enough gas, unsure of DME's stance to purchase more because it is the most expensive form of gas in their portfolio. The landfill gas to energy alternatives was discussed with only a few options.

Conclusions and Recommendations stated the primary objectives of ELR are not being realized. LF Gas to Energy is costly and produces emissions. The recommendations short term, not enough additional gas for beneficial reuse. Staff is exploring alternative use opportunities. Long term, perform analysis and explore high BTU facility.

Board Member Carroll stated the program started in 2002, Boerner answered the concept was in 2002, with the City starting in 2005. Carroll stated the presentation seemed like a disastrous project. Why did it take 17 years to figure it out. Ethan Cox responded that about a year ago Blue Ridge was brought in and this is not the only program that staff is dealing with like this. Blue Ridge gave the high level assessment and staff is working through them. Back in 2005 there were many aspirational goals. This project should have been monitored more closely every year to verify the impact. Since this system has not run the better part of two years, the big question is do we was to re-start this program.

Mario Canizares added that Cox has his team has been working in Solid Waste since early 2017. They are in the process of assessing programs with that were established in the past to determine if they should

continue them.

Carroll answered if the financial overview is annually. Cox answered it is, there was further discussion and elaboration.

Board Member Cheek asked what is the depreciated life of the capital investment. Boerner answered the pieces vary could be from five to 25 years. The infrastructure has to be viable.

Board Member Bynum asked about the environmental impact if the methane gas is not collected. Boerner stated by regulation the City is required to collect and manage the methane gas we will do that outside of the ELRS.

Carroll asked if we has exposed ourselves to any violation to regulations before we stopped using this system in 2018. Boerner answered no we are in compliance with TCEQ and EPA.

Board agreed to not to restart the ELRS.

REGULAR MEETING

1. CONSENT AGENDA

A. PUB19-053 - Consider recommending adoption of an Ordinance of the City of Denton authorizing the City Manager, or his designee, to execute a Pole Attachment License Agreement between the City of Denton, a Texas-Home Rule Municipal Corporation, and MCImetro Access Transmission Services Corp., a Delaware Corporation; and, providing for an effective date.

B. PUB19-055 - Consider recommending adoption of an Ordinance authorizing the City Manager, or his designee, to execute an agreement between the City of Denton and the Texas Municipal Power Agency that defines the terms for reimbursement for services rendered by the City to TMPA in conjunction with reconstruction of the Arco to Cooper Creek transmission line; authorizing the expenditure of funds; and providing for an effective date.

C. PUB19-056 - 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 Graybar Electric Company, Inc., for the supply of equipment for the LPU SCADA Communications and PLC Upgrade Project; providing for the expenditure of funds therefor; and providing an effective date (IFB 6895 - awarded to Graybar Electric Company, Inc., in the not-to-exceed amount of \$100,650).

D. PUB19-057 - 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 Direct Line to Compliance, Inc., amending the contract approved by Purchasing Staff on February 5, 2019, in the not-to-exceed amount of \$39,365, said first amendment to provide NERC Compliance Consulting services for the City

of Denton; providing for the expenditure of funds therefor; and providing an effective date (File 6996 - providing for an additional expenditure amount not-to-exceed \$60,630, for a total contract amount not-to-exceed \$99,995).

E. PUB19-058 - 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 ABC Professional Tree Services, Inc., for Tree Trimming for Electric Utility Services; providing for the expenditure of funds therefor; and providing an effective date (IFB 6972- awarded to ABC Professional Tree Services, Inc., in the three (3) year not-to-exceed amount of \$1,800,000).

F. PUB19-060 - 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 Ancor Information Management, LLC, dba Utilitec, for utility printing and mailing services, amending the contract approved by City Council on October 20, 2015, in the not-to-exceed amount of \$1,300,000; said first amendment to provide continued billing, printing and mailing services of the City of Denton's utility bills; providing for the expenditure of funds therefor; and providing an effective date (RFP 5815 - extending the contract to April 20, 2020, and providing for an additional expenditure amount not-to-exceed \$325,000, for a total contract amount not-to-exceed \$1,625,000).

G. PUB19-062 - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Merchant Services Contract extension between the City of Denton and Elavon, Inc., through May 16, 2020, to provide merchant services for online Customer Service credit and debit card payments; and declaring an effective (File 4578 - extending a contract with Elavon, Inc., to May 16, 2020).

H. PUB19-066 - Consider recommending adoption of an ordinance amending the Water Conservation Plan and the Drought Contingency Plan of the City of Denton, Texas previously adopted by the City Council in Ordinance no. 2014-109 enacted on the 15th day of April, 2014 amending the drought and emergency response stages of the Water Conservation Plan and the Drought Contingency Plan; amending the enforcement provisions of mandatory restrictions of the Water Conservation Plan and the Drought Contingency Plan; providing for the stages of enforcement for violators of the Water Conservation Plan and the Drought Contingency Plan; providing for rates to be charged for water usage in the Water Conservation Plan and the Drought Contingency Plan in the event of high usage; providing for administrative fees to be charged to violators for certain violations of the Drought Contingency Plan; providing a criminal penalty not to exceed \$2,000 per violation of the Drought Contingency Plan; providing a civil penalty not to exceed \$1,000 per day per violation of the Drought Contingency Plan; providing civil legal remedies for the city of Denton, Texas; providing a savings clause; providing a severability clause; and providing an effective date.

Board Member DeVinney motioned to approve all consent items with a second by Board Member Bishop. Vote 7-0 approved

2. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. **PUB19-047** - Consider approval of the Public Utilities Board Meeting minutes of March 25, 2019.

Approved as circulated.

- B. **PUB19-050** - Consider recommending adoption of an Ordinance of the City of Denton authorizing the City Manager, or designee, to execute a confidentiality and non-disclosure agreement between the City and Helena Wind, LLC., and a confidentiality and non-disclosure agreement between the City and OnPeak Power, LLC; providing for a severability clause; and providing for an effective date.

George Morrow spoke briefly about this item stating this Ordinance is necessary for the parties to share more information with DME.

Carroll asked if we have done this before, Morrow answered it is typical and we have several.

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

- C. **PUB19-059** – ACM Update
1. Future Agenda Items
 2. Matrix

Kenneth Banks spoke briefly about the ACM update items.

3. CONCLUDING ITEMS

A. 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.

No concluding items.

CLOSED MEETING

- A. **PUB19-067** - Deliberations regarding Real Property - Under Texas Government Code Section 551.072; Consultation with Attorneys - Under Texas Government Code Section 551.071.

Discuss, deliberate, and receive information from staff and provide staff with direction pertaining to the

potential acquisition of real property interests generally located (i) in the 800 block of Eagle Dr., (ii) Ave. H between W. Hickory St. and W. Prairie St., (iii) W. Prairie St. between S. Bonnie Brae St. and North Texas Blvd., (iv) Stella St. between S. Bonnie Brae St. and North Texas Blvd.; (v) North Texas Blvd. between Stella St. and Eagle Blvd., (vi) Maple St. between S. Locust St. and Ave. C, (vii) Fannin St. between S. Ave. B and Bernard St., (viii) S. Ave B. from Maple St. to Underwood St., (ix) Bernard St. between Eagle Blvd. and Collins St., (x) Carroll Blvd. between Eagle Dr. and W. Collins St., (xi) W. Collins St. between S. Ave. A and Carroll Blvd., (xii) Myrtle St. between Fort Worth Dr. and Maple St. (xiii) Pierce St. between Maple St. and Stroud St., (xiv) Eagle Dr. between S. Locust St. and Ave. C, (xv) Fort Worth Dr. between W. Collins St. and Maple Ave. all in the City of Denton, Denton County, Texas. Consultation with the City's attorneys regarding legal issues associated with the potential acquisition or condemnation of the real property interests described above 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. (Electric distribution and transmission lines and Eagle substation)

Adjourned: 10:28am

Approved on April 22, 2019

DocuSigned by:
Susan Parker
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5/28/2019