



**City of Denton
MINUTES
PUBLIC UTILITIES BOARD**

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

Monday, July 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 will thereafter convene into an open meeting on Monday, July 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, Karen DeVinney, Charles Jackson Lilia Bynum and Billy Cheek

Absent: Allen Bishop

Ex Officio Member: Todd Hileman, City Manager

WORK SESSION

- A. **PUB19-116** - Receive a report, hold a discussion and give staff direction regarding the Denton Municipal Electric (DME) Fiscal Year 2019-20 Operating Budget and Capital Improvement Program.

Terry Naulty started the presentation on the Electric Budget. He highlighted the goals and accomplishments for DME.

The new management at DME took a look at the budget process. There have been some changes regarding the forecast process. Some of the budget impacts both positive and negative were communicated.

David Gaines continued the presentation by talking about the financial objectives. The financial assumptions were reported and detailed.

The major budget variables were shown as the power market volatility, renewable energy resources financial performance and the decommissioning and sale of Gibbons Creek.

The financial forecast changes for debt service was talked about. In FY 2018-19 Denton Energy Center Debt Service is higher than anticipated for the first year. TMPA scrubber debt FY2018-19 estimate was not retired due to potential events that were talked about.

The financial forecast changes for Purchase Power was talked including the out years.

Gaines then talked about the electric rates and what is included in those rates. The energy cost adjustment (ECA) was explained along with the base rates. The goal is for the ECA fluctuates and base rates remain stable. Billy Cheek asked about the debt service being in the ECA.

The current rate recovery was shown and explained on a table by Gaines.

Options moving forward were shown which are: stay as we are, a phased approach or no increase approach.

FY19-20 proposed Purchase Power of \$61.73 million was shown on a graph as well as the ECA expenses.

The electric budget highlights phased approach for revenue and expenses was shown on a table. The 2018-2024 Capital Improvements Plan was also shown on a table for each fiscal year.

The CIP TCOS Analysis for 30 years was talked about. Notes include the purpose of TCOS is to recover transmission infrastructure costs.

The position summary was explained to include two new full time employees for the DEC. After that the DEC proforma was shown and explained.

Terry Naulty finished the presentation talking about the power peaks and the price curve.

REGULAR MEETING

1. CONSENT AGENDA

- A. PUB19-120** - 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 \$188,564.50 to Texas Municipal Power Agency; and, providing an effective date.
- B. PUB19-121** - 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 Freese and Nichols, Inc., to perform risk and resiliency assessment to comply with the America Water Infrastructure Act (AWIA) of 2018 as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 6590-061 Professional Services Agreement awarded to Freese and Nichols, Inc. in the not-to-exceed amount of \$106,750).
- C. PUB19-122** - 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 Gupta & Associates Inc., for Development of Water Reclamation SCADA Master Plan for the City of Denton as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 6919- Professional Services Agreement awarded to Gupta & Associates Inc., in the not-to-exceed amount of \$216,102).
- D. PUB19-123** - 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 Last Chance Redi-Mix, LLC for the disposal of spoil materials resulting from internal City construction and maintenance activities; providing for the expenditure of funds therefor; and providing an effective date (IFB 7075 - awarded to Last Chance Redi-Mix, LLC, in the three (3) year not-to-exceed amount of \$3,600,000).
- E. PUB19-124** - Consider recommending adoption of an ordinance of the City Council of the City of Denton, Texas, a Texas home-rule municipal corporation, authorizing the city manager to execute an agreement with ASG Harvest Hill, LTD., a Texas Limited Liability Company, for the city's participation in the oversizing of water mains for the City of Denton; providing for the expenditure of funds therefor; and providing an effective date (awarded to ASG Harvest Hill, LTD. in the not to exceed amount of \$20,311.00).
- F. PUB19-128** - 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

Rush Truck Center through the Buy Board Cooperative Purchasing Network Contract Number 521-16 for the acquisition of one (1) medium duty rear load refuse truck for the Solid Waste Department; providing for the expenditure of funds therefor; and providing an effective date (File 7106 - awarded to Rush Truck Center, in the amount of \$104,016.59).

- G. PUB19-129** - 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 Wärtsilä North America, Inc. for the supply of parts and services for the electric generating equipment at the Denton Energy Center, which is the sole provider of this service in accordance with Texas Local Government Code 252.022, 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 7104 - awarded to Wärtsilä North America, Inc., in the two (2) year not-to-exceed amount of \$287,096).

Board Member DeVinney motioned to approve all consent items with a second by Board Member Jackson. Vote 6-0 approved

2. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. PUB19-126** - Consider approval of the Public Utilities Board Meeting minutes of June 24, 2019.

Approved as circulated

- B. PUB19-127** - ACM Update:

1. Quarterly Financial Report ending March 31, 2019
2. Solid Waste Valet Pilot Project
3. Future Agenda Items
4. Matrix

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

Brendan Carroll announced this would be his last meeting.

CLOSED MEETING

- A. PUB19-131** - Deliberations Regarding Certain Public Power Utilities: Competitive Matters – Under Texas Government Code Section 551.086.

Deliberate and discuss competitive information regarding public power operational and financial matters pertaining to the purchases and risks of wholesale energy supply pertaining to the proposed electric budget.

Adjournment: 9:53am
Approved on July 22, 2019

DocuSigned by:
Susan Parker
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Susan Parker

8/5/2019

Date

DocuSigned by:
Kim Mankin
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Kim Mankin

8/5/2019

Date