



**City of Denton
DRAFT MINUTES
PUBLIC UTILITIES BOARD**

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

Monday, February 12, 2018

9:00am

City Council 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, February 12, 2018 at 9:00a.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas

Board Members: **Chair Randy Robinson, Vice Chair Susan Parker Brendan Carroll, Charles Jackson, Allen Bishop and Deb Armintor**

Ex Officio Members: **Todd Hileman, City Manager and Bryan Langley, Deputy City Manager**

Absent: **Lilia Bynum**
Mario Canizares, Assistant City Manager

WORK SESSION

A. PUB18-024 - Receive a report, hold a discussion, and give staff direction regarding the Solid Waste department's landfill vegetative buffer and maximum landfill height proposed in the permit amendment.

Ethan Cox, Director of Solid Waste, gave the presentation. The background on this item includes citizen concerns, landfill expansion and the buffer zone. There is no action required of this item, it is informational.

The tallest existing landfill cell height is 53 feet above ground level. The TCEQ Permit 1590A has the current limits at 80 feet. There is a Special Use Permit (SUP) that was approved by the city a few years ago that limits the height to 95 feet until 2028. To exceed that height after 2028, would need a new SUP. The TCEQ Permit 1590B has a maximum height of 213.5 feet above ground level.

Cox showed an artistic rendering of what the landfill site would look at if the maximum height of 213.5 feet was reached. Cox added that operationally solid waste could delay increasing the height from 80 feet another 20 to 30 years if that was the choice. There are 11 new cells that are proposed in the permit 1590B so depending on the phasing, any further decision on vertical expansion may not be needed for 20 – 30 years. Cox then compared the height to other structures around the City of Denton and City of Dallas and City of Irving's landfills.

Cox then talked about the impact to the surrounding area aesthetics and how much capacity would be lost of a reduced height is chosen and showed a table with information.

Chair Robinson asked if the additional 11 new cells are included in the reduced height information. Cox agreed it is. Another way to look at this is if the height is not increased at the landfill, the additional 11 cells will extend the landfill an extra 16 years. The current closure timeframe with the existing cells is about 2032.

Board Member Armintor asked if the issue of more trees on the buffer and the maximum height capacity be addressed as two different items. Cox answered they could be but were brought together because of the citizen concerns. Normally these issues are discussed during the TCEQ permitting process. This also affects the aesthetics of the area, there are many things happening in this corridor.

Cox went on to talk about the permitting process. Permit 1590B will be complete in about four to five months. The first step is for TCEQ to declare the permit technically complete. The next step is the public comment period. Lastly TCEQ will issue the permit. After this is complete, staff can come back to this Board and to Council for a SUP. That is when the height could be adjusted down based on that Council and the community has to say.

Board Member Jackson asked about the timeline. Cox hopes the ‘technically complete’ will be received within the next two months. Once this happens and enters the public comment it should go quickly unless it is contested. Staff hopes to be finished by end of spring and receive the permit by summer.

Chair Robinson asked how long the permit process normally takes and when did we start. Frank Pugsley, with Parkhill Smith & Cooper (PSC), answered with a landfill permit like this it can take up to two years from submittal to approval. This was submitted to TCEQ early 2017, we are about one year in. Next will be the public notice where the public has 28 days to submit in writing comments and request a public meeting. The public meeting will be about a month after that time period.

Vice Chair Parker clarified that just because the maximum is requested for doesn’t mean we will actually go to that height. Frank Pugsley answered they always request the maximum and then negotiate back from there.

Cox then talked about the buffer portion of the presentation. The definition of buffer is the distance between the permit boundary and the waste. The distance is 125 feet. In the TCEQ Permit 1590A there are no landscaping requirements. The SUP S-204 (Ordinance 95-052) states that the buffer must have sufficient landscaping and screening to ensure harmony and compatibility with adjacent property.

Cox showed what a ‘typical’ landscape buffer would consist of which is 20 trees per every 100 linear feet.

The history and current state were then laid out by Cox. The buffer is around the current operations of the landfill. Planting occurred following the permit approval. Over the years, trees have been lost to drought and disease. There is now and have been construction in the area. Only 217 of the 780 recommended trees remain.

Recent and current challenges were shown and explained by the use of photos that include the buffer wall, utility infrastructure, drainage and Mayhill Road expansion.

Cox showed the new alignment of Mayhill Road and how that will help with the landfill buffer and the idea of planting trees behind the buffer wall.

Plan of action was laid out by Cox from Freeze & Nichols, the landscape architects for this project. The project timeline is to begin planting behind the wall fall of 2018 and outside the wall post Mayhill Construction.

Board Member Armintor verified that the trees and powerlines have been vetted with DME. Cox stated DME is in the loop with all this construction and work. Vice Chair Parker stated when a tree dies it will be replaced, Cox agreed.

Chair Robinson asked about a portion of the buffer wall that is on Edwards Road, can anything be done now in that area. Cox answered there is actually a buffer wall on each side of the road in that area. Trees will be placed behind the buffer wall on the landfill side.

Board Member Carroll asked if the buffer width has to change if the landfill height increases. Pugsley answered the buffer zone was 50 feet and TCEQ has been expanded that to 125 feet. TCEQ's concern is access for firefighting, maintenance, ground water monitoring, and landfill gas detection. Carroll then asked about the plastic bags that seem to be a problem on the southeast side of the landfill. Cox answered they are looking at a wind fence to help catch these bags. There is a cost analysis going on, currently staff is helping with the problem.

After the permit is complete and the landscape analysis is complete Cox will come back to this Board.

B. PUB18-029 - Receive a report, hold a discussion, and provide direction concerning a Management Study for Water, Wastewater, and Denton Municipal Electric.

Kenneth Banks gave the presentation. The charter states that every 10 years there has to be a management study performed for Water, Wastewater and Electric. Banks gave an overview of that study.

The last study was completed in 2008-2009. The request for proposal was released on January 29, 2018 with responses due March 25. 2018.

Summary of major elements was provided.

General management is to review how each aspect of utilities operations relates to the cost or function of providing services. Aspects include governance, organizational structure, financial practices, development policies, support services, franchise and cost of service transfers, communications, public relations, planning and budgeting processes, rate development and administration.

Comparative analysis of significant operation costs include examining significant cost components of the main utility services and subunits. Electric is the transmission and distribution services. Water is the raw water supply, treatment, storage and pumping, distribution, engineering, metering and wholesale. Wastewater is collection, pumping, treatment, Biosolids management, wholesale services and stormwater. Support services include customer service, accounting, purchasing, warehousing, legal, technology services, human resources, finance, engineering, inspections and fleet.

Outsourcing: If the consultant finds that any function the utility or city is now performing by its personnel is not reasonably comparable or competitive, and would not be comparable or competitive within a reasonable timeframe, the consultant shall present the issues involved with those functions in the interim report. If outsourcing is an appropriate recommended action, the consultant may be requested to provide a detailed plan for outsourcing implementation. This response must have prior approval of the city and will result in an amendment to the consultant's base contract.

Deliverables: It is anticipated that the project will be completed in phases with interim draft reports on key issues with possible action items being prepared for review by the City. The final report would be a single comprehensive document including all interim reports and action items. The cost of service and comparative relationship (bench marking) to other utilities of comparable size is required.

Project Schedule: Complete draft management studies during 2018. Final presentation to this Board for recommendation and then to Council for approval spring 2019.

The Board had a few questions and suggestions for Banks and the study.

CLOSED MEETING

A. PUB18-020 - 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 purchase of certain real property interests out of the Alexander Hill Survey, Abstract No. 623, Denton County, Texas, and generally located in the 1200 block of Johnson Street, Denton, 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. [Spencer to Locust Transmission Line project - Parcels 34 & 37]

B. PUB18-031 Consultation with Attorneys - Under Texas Government Code Section 551.071.

Receive a presentation from staff regarding public power competitive and financial matters pertaining to the transportation of natural gas to the City's Alternative Fuel Facility located at ECOWERCS; discuss and deliberate strategies and opportunities for the City to have natural gas transported to the City's Alternative Fuel Facility located at ECOWERCS and enter into agreements regarding the same including a Pipeline Transportation Agreement with Atmos Pipeline - Texas, a division of Atmos Energy Corporation, a Texas and Virginia corporation. 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.

REGULAR MEETING

1. CONSENT AGENDA

A. PUB18-016 - Consider recommending approval of a contract for the purchase of one (1) Model LP873 XDT Vacuum Excavator for the City of Denton Drainage Department as awarded by Buy Board Cooperative Purchasing Network Contract# 515-16; providing for the expenditure of funds therefor; and providing an effective date (File 6687-awarded to Vermeer Texas-Louisiana in the not-to-exceed amount of \$78,062).

Pulled by Vice Chair Parker. Parker stated she thought this was replacement equipment but the original equipment was not going to be sold. Terry Kadar answered this equipment is shared by the Streets and Drainage departments. The original machine was purchased by streets with drainage agreeing to take care of maintenance. Drainage has enough work for this type of machine and wants to purchase their own. Streets will temporarily keep this but may decide they no longer need it.

There was a motion by Board Member Parker with a second by Board Member Armintor to approve item PUB18-016. Vote 6-0 approved.

B. PUB18-030 - Consider recommending adoption of an ordinance of the City of Denton, Texas authorizing the expenditure of funds for payment by the City of Denton to the Texas Commission of Environmental Quality (TCEQ) for waste disposal fees associated with the Solid Waste department's waste disposal operations; and providing an effective date (File 6737- Waste Disposal Fees in the amount not-to-exceed \$280,000).

Pulled by Board Member Jackson. Jackson asked about the timeline. Ethan Cox answered the fees should be paid from the beginning of the fiscal year. This is the first time this has been brought to this Board and Council for approval. This should have been brought on a regular basis. After this year it will be brought back on schedule, and approved before the fiscal year.

There was a motion by Board Member Jackson with a second by Board Member Armintor to approve item PUB18-030. Vote 6-0 approved.

2. ITEMS FOR INDIVIDUAL CONSIDERATION

A. PUB18-013 - Consider approval of the Public Utilities Board Meeting minutes of January 22, 2018.

Minutes approved

B. PUB18-025 - Consider recommending adoption of an ordinance awarding a contract with Atmos Pipeline - Texas, a division of Atmos Energy Corporation, to provide alternative fuel transportation services and to install a metering station for the Alternate Fuel Filling Station located at 1251 South Mayhill Road, Denton, Texas.

Ethan Cox gave the presentation. He began by showing the prior discussions on this topic beginning in 2012.

After the financial analyst was completed the CNG was not going to be as good of an investment as originally thought. An exit strategy of CNG vehicles was started. It was agreed by this Board and Council to build an alternate fuel filling station.

CNG agreements include Zeit Energy that will construct and maintain the station. This was approved in 2016, construction is scheduled to be complete in March 2018. Atmos Pipeline is another agreement for transportation of natural gas. Lastly natural gas purchase will take place by commodity. As the fleet is phased out by 2023-2024 the numbers will decrease.

Chair Robinson stated this is a great cost recovery.

There was a motion by Board Member Parker with a second by Board Member Jackson to approve item PUB18-025. Vote 6-0 approved.

C. PUB18-027 - ACM Update:

1. Informal Staff Report Credit and Collections
2. Lake Lewisville and Lake Ray Roberts Annual Operations and Maintenance Fees
3. Public Utilities Board Action Taken in Closed Session
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

Armintor – Look into possibly lowing reconnect fees since meters will be remote.

Robinson – Would like to see the impact of revenue if those are lowered.

Adjournment: 10:50 am