

**CITY OF DENTON PUBLIC UTILITIES BOARD MINUTES**  
**October 14, 2024**

After determining that a quorum was present of the Public Utilities Board of the City of Denton, convened in a Regular Meeting on Monday, October 14, 2024, at 9:00 a.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Vice Chair Billy Cheek , Devin Taylor, Thomas Plock, Robert Rayner, and Aaron Newquist, Lee Riback

Also present: General Manager Antonio Puente, Jr. and Deputy City Attorney Marcella Lunn

Absent: Chair Susan Parker

**REGULAR MEETING**

**1. PRESENTATIONS FROM MEMBERS OF THE PUBLIC**

There were no presentations from members of the public.

**2. CONSENT AGENDA**

The Consent Agenda consisted of Items 2 A-G.

Prior to consideration of the consent agenda items 2 A was pulled by Lee Riback, 2 B was pulled by Robert Rayner, and 2 F was pulled by Billy Cheek for individual consideration.

The Consent Agenda now consists of Items 2 C, D, E, G.

Board Member Riback arrived at 9 a.m.

**Board Member Taylor moved to recommend adoption of agenda items 2 C, D, E, G. Motion seconded by Board Member Rayner; motion carried.**

**YES (6): Vice Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, and Aaron Newquist**

**NO (0):**

**C. PUB24-212** 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 Odessa Pumps and Equipment, Inc., through the Buy Board Cooperative Purchasing Network Contract # 672-22, for the purchase of new pumps, pump parts, repair and rebuild of pumps for the Water Production and Water Reclamation Departments; providing for the expenditure of funds therefor; and providing an effective date (File 8654 - awarded to Odessa Pumps and Equipment, Inc., for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount \$1,500,000.00).

- D. PUB24-213** Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, ratifying the expenditure of funds by the City Manager for cured in place pipe liner emergency rehabilitation for the Wastewater Collections Department through the Buy Board Cooperative Purchasing Network Contract # 731-24; and providing an effective date (File 8674 - awarded to Fuquay, Inc., in the not-to-exceed amount of \$199,815.00).
- E. PUB24-214** Consider recommending adoption of an ordinance of the City of Denton, Texas establishing the schedule of rates for electric service; amending the Distributed Generation From Renewable Resources Rider and Renewable Cost Adjustment Schedules; providing for a repealer; providing for a severability clause; and providing for an effective date.
- G. PUB24-219** Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Construction Manager at Risk contract with McCownGordon Construction LLC, for preconstruction services for the Renovation of the City of Denton Service Center for the Capital Projects Department; providing for the expenditure of funds therefore; and providing an effective date (RFP 8567 - awarded to McCownGordon Construction LLC, in the not-to-exceed amount of \$40,000.00).
- A. PUB24-210** Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of Change Order No. 6 to the Design-Build Agreement between the City of Denton and Beta Engineering, LLC, for the design and construction of the Hickory Gas Insulated Substation for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7670 - Change Order No. 6, in the not-to-exceed amount of \$750,934.78, for a total contract award aggregated to \$42,302,076.26).

Mark Zimmerer, DME Engineer, gave an overview of item 2A.

Member Riback asked questions that Mark answered.

**Board Member Riback moved to recommend adoption of agenda items 2 A. Motion seconded by Board Member Newquist; motion carried.**

**YES (6): Vice Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, and Aaron Newquist**

**NO (0):**

- B. PUB24-211** 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 Jagoe-Public Company, for the Morse Street Reconstruction and Improvements Project for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (CSP 8611 - awarded to Jagoe-Public Company, in the not-to-exceed amount of \$2,518,025.48).

Vice Chair Billy Cheek recused himself from the meeting at 9:03 AM.

Aaron Skinner, Senior Project Manager/Capital Projects, provided an overview of item 2B.

Member Rayner asked questions that Aaron Skinner answered.

Vice Chair returned to the meeting at 9:05 AM.

**Board Member Rayner moved to recommend adoption of agenda items 2 B. Motion seconded by Board Member Riback; motion carried.**

**YES (5): Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, and Aaron Newquist  
NO (0):**

The Public Utilities Board recessed the Regular Meeting at 9:06 a.m. to move into a closed session.

### **CLOSED MEETING**

The Public Utilities Board convened into a Closed Meeting at 9:06 a.m. consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law, as follows:

- A. PUB24-218** 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.

Receive information from staff regarding an update to the Denton Municipal Electric Energy Risk Management Policy that includes public power utility competitive data; discuss, deliberate, and provide direction to staff regarding same. Consultation with City's attorney regarding legal issues associated with the above matter 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 Texas Disciplinary Rule of Professional Conduct of State Bar of Texas, or would jeopardize the City's legal position in any administrative proceeding or potential litigation.

**DELIBERATED**

Closed Meeting began at 9:06 a.m. and ended at 9:29 a.m. No votes or actions were taken during the Closed Meeting.

Regular Meeting reconvened at 9:29 a.m.

- F. PUB24-217** Consider recommending adoption of an ordinance of the City of Denton repealing ordinance No. 23-1691; approving the 2024 Denton Municipal Electric - Energy Risk Management Policy (the "2024 ERMP"); delegating authority as provided in the 2024 ERMP; authorizing and approving the subsequent execution of such other ancillary and related documents, including, without limitation, contracts, nominations, certificates, assignments, licenses, directions, instruments, confirmations, orders, and statements as are authorized by the 2024 ERMP, which are incident to or related thereto; confirming that the city of Denton, its mayor, its city council members, its city manager, its city attorney, and its city secretary are authorized to perform such acts and obligations as are reasonably required to consummate those future transactions which are provided for and authorized by the 2024 ERMP; finding that the

purchase of electricity, natural gas, and related commodities and instruments are exempt from the requirements of competitive bidding; finding that the purchase of electric energy, natural gas, and related commodities and instruments made by the city under the terms of the 2024 ERMP are in the public welfare of the citizens and electric ratepayers of the city; authorizing the expenditure of funds therefor; and, providing an effective date.

**Board Member Taylor moved to recommend adoption of agenda item 2 F. Motion seconded by Board Member Plock; motion carried.**

**YES (6): Vice Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, and Aaron Newquist**

**NO (0):**

### **3. ITEMS FOR INDIVIDUAL CONSIDERATION**

**A. PUB24-221** Consider approval of the September 23, 2024 minutes.

**Board Member Plock moved to recommend adoption of agenda items 3A. Motion seconded by Board Member Newquist; motion carried.**

**YES (6): Vice Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, and Aaron Newquist**

**NO (0):**

**B. PUB24-220** 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 \$9,437,871.69, and providing an effective date.

Vis Bouaphanthavong, Assistant Director of Finance, made a presentation on item 3B.

Member Riback and Member Taylor asked questions that Vis and Tony Puente, DME General Manager, answered.

**Board Member Taylor moved to recommend adoption of agenda items 3B. Motion seconded by Board Member Rayner; motion carried.**

**YES (6): Vice Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, and Aaron Newquist**

**NO (0):**

**C. PUB24-170** Consider recommending adoption of an ordinance of the City of Denton to declare the intent to reimburse capital program expenditures of General Government (\$165,176,270), the Solid Waste Utility (\$11,125,711), the Water Utility (\$58,897,004), the Wastewater Utility (\$71,672,868), and the Electric Utility (\$74,977,30) with Tax-Preferred Obligations (Certificates of Obligation and General Obligation Bonds) with an aggregate maximum principal amount not to exceed \$381,849,583; and providing an effective date.

Speaker Charles Lee, N Elmwood, Denton, TX, DME customer, spoke in opposition about item 3C.

Randee Klingeler, Treasury Manager, made a presentation item 3C.

Board Member Riback asked a question and Randi answered.

**Board Member Riback moved to recommend adoption of agenda items 3C. Motion seconded by Board Member Taylor; motion carried.**

**YES (6): Vice Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, and Aaron Newquist**

**NO (0):**

- D. PUB24-193** 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 HM & MF, Ltd., dba Muckleroy & Falls, for construction services of the Denton Solid Waste Fleet Shop project for the Capital Projects and Fleet Services Departments; providing for the expenditure of funds therefor; and providing an effective date (CSP 8570 - awarded to HM & MF, Ltd., dba Muckleroy & Falls, in the not-to-exceed amount of \$9,557,446.50).

Giovanni Pinerio, Projects Manager/Capital Projects, made a presentation and provided an overview on item 3D.

Board Members asked questions that Seth Garcia, Deputy Director/Capital Projects answered.

Board Member Rayner requested the down time percentage, amount of contracts and the employee count at next meeting before voting.

Board Members discussed and reached a consensus to defer item 3D for additional discussion and to provide responses at the next schedule meeting.

**Board Member Rayner moved to postpone agenda item 3D to next scheduled PUB meeting on October 28, 2024, for further discussion and consideration of adoption. Motion seconded by Board Member Riback; motion carried.**

**YES (6): Vice Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, and Aaron Newquist**

**NO (0):**

- E. PUB24-215** 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., for regulatory permitting, process evaluation, and design services for the Ray Roberts Water Treatment Plant Expansion Project for the Water Utilities Department as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7574-029 - Professional Services Agreement for regulatory permitting, process evaluation, and design services awarded to Freese and Nichols, Inc., in the not-to-exceed amount of \$21,000,000.00).

Katherine Koch, Project Manager/Water Utilities, made a presentation on Item 3E.

Board members asked questions that Katherine answered.

**Board Member Taylor moved to recommend adoption of agenda items 3E. Motion seconded by Board Member Newquist; motion carried.**

**YES (6): Vice Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, and Aaron Newquist**

**NO (0):**

**F. PUB23-222 Management Reports**

1. Enzyme Substrate Coliform Test Media
2. Purchase, Maintenance, and Repair Services of Heavy-duty Equipment
3. Future Agenda Items
4. New Business Action Items

**4. CONCLUDING ITEMS**

None

With no further business, the meeting was adjourned at 10:03 AM.

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**BILLY CHEEK  
VICE CHAIR  
CITY OF DENTON, TEXAS**

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**CASSIE BLACKBURN  
ADMIN MANAGER  
CITY OF DENTON, TEXAS**

Minutes approved on: October 28, 2024.