

CITY OF DENTON PUBLIC UTILITIES BOARD MINUTES
March 24, 2025

After determining that a quorum was present of the Public Utilities Board of the City of Denton, convened in a Regular Meeting on Monday, March 24, 2025, at 9:00 a.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Chair Billy Cheek, Devin Taylor, Robert Rayner, Susan Parker, Aaron Newquist, Thomas Plock

Also present: Stephen Gay (alternate) and Senior Deputy City Attorney Marcella Lunn

Absent: Lee Riback

REGULAR MEETING

1. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

There were no presentations from the public.

2. CONSENT AGENDA

The Consent Agenda consisted of Items 2 A-D.

Board members pulled item B.

Board Member Parker moved to recommend adoption of agenda items 2 A,C-D. Motion seconded by Board Member Rayner; motion carried.

YES (6): Chair Billy Cheek, Devin Taylor, Robert Rayner, Susan Parker, Aaron Newquist, Thomas Plock

NO (0):

A. PUB25-034 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 contract between the City of Denton and Wastech Corporation, amending the contract approved by City Council on September 22, 2020, in the not-to-exceed amount of \$500,907.00; said first amendment to provide additional annual services and equipment replacements for the Smart Routing Solutions for the Solid Waste and Recycling Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 7169 - providing for an additional first amendment expenditure amount not-to-exceed \$125,226.00, with the total contract amount not-to-exceed \$626,133.00).

C. PUB25-038 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 Hayes Construction, LLC, for the Trinity Bridge 6-inch Force Main Relocation for Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (IFB 8711 - awarded to Hayes Construction, LLC, in the not-to-exceed amount of \$151,988.55).

D. PUB25-043 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 Milsoft Utility Solutions, Inc., for continued vendor support of the Milsoft Interactive Voice Response and associated software modules along with new hardware and software upgrades for Denton Municipal Electric, which is the sole provider of this software, in accordance with Texas Local Government Code 252.022, which 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; providing for the expenditure of funds therefor; and providing an effective date (File 8752 - awarded to Milsoft Utility Solutions, Inc., for two (2) years, with the option for two (2) additional one (1) year extension, in the total four (4) year not-to-exceed amount of \$224,000.00).

B. PUB25-036 Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute Change Order No. 1 to the Construction Manager at Risk contract with McCarthy Building Companies, Inc., for construction phase services for Southeast Denton Package B (SED-B) Improvements for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7714 - Change Order No. 1 in the not-to-exceed amount of \$544,645.00, for a total contract award aggregated to \$22,127,023.00).

Scott Fettig answered questions from Billy Cheek.

Board Member Parker moved to recommend adoption of agenda item 2 B. Motion seconded by Board Member Taylor; motion carried.

YES (6): Chair Billy Cheek, Devin Taylor, Robert Rayner, Susan Parker, Aaron Newquist, Thomas Plock

NO (0):

3. ITEMS FOR INDIVIDUAL CONSIDERATION

A. PUB25-041 Consider approval of the February 24, 2025, minutes.

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

YES (6): Chair Billy Cheek, Devin Taylor, Robert Rayner, Susan Parker, Aaron Newquist, Thomas Plock

NO (0):

B. PUB25-044 Consider approval of the March 10, 2025, minutes.

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

YES (6): Chair Billy Cheek, Devin Taylor, Robert Rayner, Susan Parker, Aaron Newquist, Thomas Plock

NO (0):

- C. PUB25-001** Consider recommending adoption of an ordinance of the City of Denton, Texas, establishing the schedule of rates for electric service; amending the energy cost adjustment and transmission cost recovery factor schedules; providing for a repealer; providing for a severability clause; and providing effective dates for this ordinance and the schedule or rates.

Vis Bouaphanthavong gave a presentation on IC item 3C. Board members asked questions that Vis Bouaphanthavong, Tony Puente, and Bill Shepherd answered.

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

YES (6): Chair Billy Cheek, Devin Taylor, Robert Rayner, Susan Parker, Aaron Newquist, Thomas Plock

NO (0):

- D. PUB25-037** 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 NorthStar Energy Solutions, LLC, for substation construction services for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (CSP 8574 - awarded to NorthStar Energy Solutions, LLC, in the not-to-exceed amount of \$22,090,000.00).

Mark Zimmerer gave a presentation. Board members Susan Parker and Aaron Newquist asked questions that Mark answered. Newquist requested how much of the requested amount will be recoverable. Mark advised that he will follow-up with that information.

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

YES (6): Chair Billy Cheek, Devin Taylor, Robert Rayner, Susan Parker, Aaron Newquist, Thomas Plock

NO (0):

E. PUB25-042 Management Reports

1. Impact on Tariffs Memo
 - a. Robert Rayner and Devin Taylor asked questions regarding the memo that Lori Hewell answered.
2. Utility Billing and Mailing Extension
3. Future Agenda Items
4. New Business Action Items

The Public Utilities Board convened into closed session at 9:29 AM.

CLOSED MEETING

- A. PUB25-033** 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 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.

The Public Utilities Board reconvened at 9:38 AM from the closed session and no official action was taken.

F. PUB25-032 Consider recommending adoption of an ordinance of the City of Denton repealing ordinance No. 24-2027; approving the 2025 Denton Municipal Electric - Energy Risk Management Policy (the "2025 ERMP"); delegating authority as provided in the 2025 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 2025 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 2025 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 2025 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.

Chris Lutrick gave a presentation on agenda item 2 F.

Board Member Plock moved to recommend adoption of agenda items 2 F. Motion seconded by Board Member Parker; motion carried.

YES (6): Chair Billy Cheek, Devin Taylor, Robert Rayner, Susan Parker, Aaron Newquist, Thomas Plock

NO (0):

WORK SESSION

A. PUB24-268 Receive a report, hold a discussion, and give staff input regarding an Overview and Update of the City of Denton Solid Waste and Recycling Department. (Presentation 45 mins.)

Brian Boerner gave a presentation and answered questions from Board members. Brian advised that he can get the February map/memo sent out to board members.

5. CONCLUDING ITEMS

None

With no further business, the meeting was adjourned at 10:15 AM.

BILLY CHEEK
CHAIR
CITY OF DENTON, TEXAS

CASSIE BLACKBURN
ADMIN MANAGER
CITY OF DENTON, TEXAS

Minutes approved on: 4/14/2025