



EXHIBIT 1



1659 Spencer Road, Denton, TX 76205

MEMORANDUM

DATE: September 2, 2016
TO: Rebecca Hunter, Senior Buyer 
FROM: Phil Williams, General Manager 
SUBJECT: Single Source Justification for New Gen Strategies & Solutions, LLC

New Gen Strategies & Solutions, LLC (New Gen) has been selected by the Greater Houston Area Council (GHAC) in a competitive process. They have quoted similar pricing to the City of Denton that has been offered to other participants in that prior process.

New Gen is a professional services organization that provides financial planning and rate modeling services to public power utilities across the United States. What makes New Gen's approach unique is that they use the individual utility's operational, financial and rate data to build complex customized excel models that is customized to the specific utility's work flow and processes, rather than the utility's processes being "force-fitted" into the Enterprise System's process flow and reporting. There are few companies that offer this type of customized service.

New Gen will use each of the City's utilities financial, sales, meter data, and rates along with current budget assumptions to build customized models for the City's utilities. They will enable the utilities to analyze 10 to 20 distinct scenarios side by side. The models will do "what if" queries and look at the overall effects on the utilities. Then it will compare the scenarios numerically and graphically. In addition, we will be able to combine the electric and water/wastewater models and analyze the total utility. These models will assist in forecasting and analyzing budgets, rates, revenues, and rate changes. The Utilities plan to use these tools to create presentation dashboards for various boards, the Council, and Citizens.

A management team consisting of H. Martin, P. Williams, K. Banks, C. Ogden, L. Cunningham, M. Dickinson and K. Brooks researched and reviewed the services New Gen is proposing to provide. The team also vetted previously installed New Gen products and services with existing clients. The team has determined that the uniqueness and customization of the services and excel models are reasonably priced and represent the best value to the Citizens of Denton. Another unique aspect of New Gen's approach that has been communicated by prior clients is that New Gen genuinely approaches the engagement with a spirit of cooperation, collaboration, and teaming with clients.

The management team also considered building these products in-house. However, the amount of staff time needed to perform this task, as well as the loss of current work product, would make developing the products in-house cost prohibitive.

