

**DRAFT MINUTES
PUBLIC UTILITIES BOARD**

Monday, March 13, 2017	9:00a.m.	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, March 13, 2017 at 9:00a.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas.

Present: Chair Randy Robinson, Vice Chair Susan Parker, Barbara Russell, Charles Jackson, Allen Bishop and Lilia Bynum

Ex Officio

Members: Todd Hileman, CM and Jon Fortune, ACM

Absent: Brendan Carroll

WORK SESSION

A. PUB17-062 - Receive a report, hold a discussion, and give staff direction regarding surface grading under a Texas Municipal Power Agency (TMPA) transmission line located on the premise of Medical City Healthcare.

This item was presented by Elizabeth Ruiz. The reason for this item is the violation of a transmission line clearance at Mayhill Road and Colorado Blvd. When the line was originally designed, National Electric Safety Code (NESC) vertical clearance standard was approximately 25 feet, phase-to-ground. After a survey was done for the Pockrus/Spencer CIP project, it was discovered that the ground elevation was increased by five feet. (Dropping vertical clearance to 20 feet.) Grading is required to remove the additional five feet, 4,400 cubic yards of dirt to bring the clearance back into compliance at 25 feet. This is approximately 200 dump truck loads.

Ruiz shows photos of the area in question.

TMPA owns rights to easement. DME has responsibility to perform all necessary operations for TMPA Denton area transmission system assets. Medical City Healthcare is responsible for costs associated with bringing the line into compliance.

There are two parts to this project: execution of the work and reimbursement. Since DME has the capabilities and can perform the outages our existing contractors can take care of this project and Medical City reimbursing. There is also a high pressure gas line in this same area. An RFP can also be submitted to purchasing for this portion of the project. The last option would be to delay until the fall.

Reimbursement could be a lump sum however Medical City would like to have a payment plan.

Chair Robinson asked how much it will cost to perform this project. Ruiz answered approximately \$88,000. Robinson then asked what would the payment plan options be, five years. Ruiz agreed since Medical City had not budgeted for this item.

Bishop asked if there would be a penalty for the payment plan. Ruiz answered no.

1 Bynum asked when this needs to be completed. Ruiz answered it needs to be completed by
2 mid-April to avoid summer outages. This is a safety issue as well.

3
4 Bishop asked how long will it take. Ruiz answered two weeks. Bishop then answered asked
5 how long would it take to put together an RFP. Ruiz answered it would delay the project
6 until the fall timeframe.

7
8 Parker clarified that if we use existing contractors we can get it taken care of by end of April.
9 Ruiz agreed.

10
11 Russell asked if \$88,000 reasonable. Ruiz answered that Medical City did an RFP and it was
12 much higher. Phil Williams added that the vendor is already doing work for DME currently
13 through the CIP process. Russell added it makes sense to use this vendor.

14
15 Chair Robinson asked about the TMPA agreements. Larry Collister added the documents are
16 already in place.

17 18 **OPEN MEETING**

19 20 **CONSENT AGENDA**

- 21
22 **A. PUB17-033** - Consider recommending the adoption of an ordinance of the City Council of
23 the City of Denton authorizing the City Manager to execute an Engagement Letter with the
24 law firm of David A. Portz, P.C., Houston, Texas, for professional legal services to be
25 provided to the Energy Management Organization of the City's Electric Department, Denton
26 Municipal Electric; authorizing the expenditure of funds therefor; and providing an effective
27 date (File No. 5554 - in the additional amount of not-to-exceed \$75,000; aggregating not-to-
28 exceed \$250,000).

29
30 Board Member Russell pulled this item for questions. Russell asked how Don Frank enters
31 into this agreement. Larry Collister answered there are compliance issues and staff wanted
32 David Portz to vet it out, that is what Frank is working on.

33
34 **Board Member Russell motioned to approve item A, with a second by Board Member**
35 **Parker. Vote 5-0 approved.**

- 36
37 **B. PUB17-061** - Consider recommending adoption of an ordinance of the City Council of the
38 City of Denton authorizing the City Manager, or his designee, to execute an agreement with
39 Medical City Healthcare in which Medical City Healthcare will reimburse the City for the
40 provision of services related to transmission line grading; and providing an effective date.

- 41
42 **C. PUB17-067** - Consider recommending the adoption of an ordinance by the City Council
43 authorizing the City Manager to execute an agreement by and between the City of Denton,
44 Texas and the Texas Municipal Power Agency (TMPA), that provides for terms and
45 conditions under which The City of Denton and TMPA are electrically interconnected
46 between each of their respective transmission assets located within Denton County, Texas, in
47 substantial conformity with the attached exhibits; authorizing the expenditure of funds
48 therefor; and providing an effective date.

- 49
50 **D. PUB17-081** - Consider recommending adoption of an ordinance of the City Council of the
51 City of Denton, Texas authorizing the City Manager or his designee to execute an agreement

1 with Texas Municipal Power Agency (TMPA) regarding reimbursement for transmission line
2 grading work to be performed by Denton Municipal Electric in the easement of a 138kV line
3 located on the property of Medical City Healthcare
4

5 **Board Member Bynum motioned to approve items B-D, with a second by Board**
6 **Member Jackson. Vote 6-0 approved.**
7

8 **ITEMS FOR INDIVIDUAL CONSIDERATION**

9

10 **A. PUB17-077-** Consider recommending approval of the Public Utilities Board Meeting
11 minutes of March 13, 2017.
12

13 **Approved as circulated**
14

15 **B. PUB17-072 -** Consider recommending approval of an ordinance of the City of Denton, Texas
16 authorizing the City Manager to execute a First Amendment to a professional Services
17 agreement by and between the City of Denton, Texas and Teague Nall and Perkins, Inc., for
18 engineering and surveying services relating to the Denton Municipal Electric Capital
19 Improvement Plan; authorizing the expenditure of funds therefor; providing an effective date
20 (File 5306 in the additional amount not-to-exceed \$4,360,000; aggregating a total not-to-
21 exceed \$8,520,000).
22

23 William A. Bunselmeyer gave the presentation for this item. The Engineering and Surveying
24 Services Professional Services Agreement (PSA) provides extensive services to DME Capital
25 Improvement Projects. Serve as DME's professional representative in any capacities needed for
26 project development, design, or construction support.
27

28 The background includes a contract with Teague, Nall & Perkins for Engineering Surveying
29 Services PSA on August 6, 2013 in the amount of \$4,160,000. There are 15 major CIP projects
30 that are completed, 22 partially completed and nine that are started. As a note this PSA is not
31 associated with the Denton Energy Center. Also a point of interest, the 2017 transmission and
32 substation CIP budget is in the amount of \$272,000,000.
33

34 A list was shown of the above projects. Staff wants to continue with the current engineering firm
35 that is the reasoning for the requested amendment.
36

37 Staff recommends approval of the proposed amendment to the contract with Teague, Nall and
38 Perkins, Inc., that authorizes an increase of \$4,360,000, for a total amount not to exceed
39 \$8,520,000.
40

41 Chair Robinson asked if this amendment will complete the projects shown. Bunselmeyer
42 answered staff believes it will.
43

44 There was some further discussion regarding this item later in the meeting. Hileman added that
45 staff needs clarification on the five year payment plan and with or without interest added to the
46 motion.
47

48 Bishop asked if it would be appropriate to try and get the money up front and then finance if
49 unable to do that. Hileman answered that the City tries to work with their customers as much as

1 possible. The carrying charges are not substantial, but this question wasn't clarified by the
2 motion.

3
4 Bynum asked historically how this has been handled. Williams answered in the rate structure
5 there is a facilities rider that has been utilized in the past where the charge has been added to
6 their bill and paid out over time. This is not unusual for commercial or residential customers.
7

8 **Board Member Bishop motioned to approve item B, to finance for 5 years without carrying**
9 **cost or interest (PUB17-072), with a second by Board Member Russell. Vote 6-0 approved.**

10
11 **C. PUB17-078 - ACM Update**

12 1. Downtown Dumpsters

13 2. Landfill Gas Production Update

14 3. Matrix

15 **Matrix no changes**

16
17 **CLOSED MEETING**

18
19 **A. PUB17-064 - Deliberations Regarding Real Property - Under Texas Government Code Section**
20 **551.072; Consultation with Attorneys - Under Texas Government Code Section 551.071.**

21
22 Receive information from staff and discuss, deliberate, and provide staff with direction
23 regarding the potential acquisition of real property interests generally located in the northeast
24 corner of East Sherman Drive and Hartlee Field Road in the City of Denton, Denton County,
25 Texas; discussions had, deliberation, and direction given, by the Denton Public Utility Board
26 in an open meeting would have a detrimental effect on the position of the governmental body
27 in negotiations with a third party. Consultation with the City's attorneys regarding legal issues
28 associated with the acquisition of the real property interests described above; discussion of
29 these legal matters in an open meeting would conflict with the duty of the City's attorneys to
30 the City of Denton and the Denton Public Utility Board under the Texas Disciplinary Rules of
31 Professional Conduct of the State Bar of Texas, or would jeopardize the City's legal position
32 in any administrative proceeding or potential litigation. [Hartlee Field Substation]
33
34

35 **CONCLUDING ITEMS**

36 Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the Public
37 Utilities Board or the public with specific factual information or recitation of policy, or accept a
38 proposal to place the matter on the agenda for an upcoming meeting AND Under Section
39 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest
40 regarding which no action will be taken, to include: expressions of thanks, congratulations, or
41 condolence; information regarding holiday schedules; an honorary or salutary recognition of a
42 public official, public employee, or other citizen; a reminder about an upcoming event organized
43 or sponsored by the governing body; information regarding a social, ceremonial, or community
44 event organized or sponsored by an entity other than the governing body that was attended or is
45 scheduled to be attended by a member of the governing body or an official or employee of the
46 municipality; or an announcement involving an imminent threat to the public health and safety of
47 people in the municipality that has arisen after the posting of the agenda.
48

49 **Adjournment 10:00 a.m.**