



MEMORANDUM

DATE: August 15, 2017
TO: Honorable Mayor and Members of the City Council
FROM: Chuck Springer, Director of Finance
SUBJECT: City Council Budget Questions and Responses

Information regarding the FY 2017-18 Proposed Budget and department presentations have been presented beginning in June to the latest presentation on August 8th. Below is a summary of the most recent questions and requests, from the City Council as I understand them, and the responses compiled to date.

1. Please provide information on the breakdown of what is included in New Residential & Commercial in the Capital Improvement Plan for Electric.

Exhibit 1 is a listing of the residential and commercial capital projects for FY 2017-18 and a listing of the feeder and extension capital projects for FY 2017-18.

2. Please provide information on adding the Energy Cost Adjustment (ECA) rate to the City website.

The Energy Cost Adjustment has been added to the City of Denton webpage. Click on "Pay My Bill", and scroll down to the "Utility Rate Brochure" icon on the lower right side of the page. Link: https://www.cityofdenton.com/CoD/media/City-of-Denton/Government/Water%20Utilities/2016-Utility-Rate-Brochure_0717.pdf

3. Please provide information on Electric capital expenditures on acquiring right of way.

Electric has spent a total of \$24,578,178 acquiring right of way from June 2012 to present.

4. Please provide information on what is a 1% change in electric rate revenue.

A 1% change in Electric rate revenue would be approximately \$1.48 million.

5. Please provide more information on the year to year variance in the Electric vehicle replacement budget.

The cost for vehicle replacements varies each year depending on the types of vehicles being replaced in a given year. For example, the FY 2018-19 vehicle replacement list includes

five large vehicles (including bucket trucks). Exhibit 2 contains the projected vehicle replacement lists for the 5-year period from FY 2017-18 through FY 2021-22.

6. Please provide information on a comparison between a 5-year payout of \$28.6 million scrubber debt versus paying it off in 2019.

The following table highlights the remaining debt. If the debt is called and paid off on Feb 15, 2019 (principal amounts highlighted in the table), there would be a total of \$3.7 million savings on interest.

DME TMPA RELATED DEBT			
BALANCES AS OF 8/3/17			
	Series 2010 CO		
	DME TMPA Debt (Scrubber)		
	Principal	Total Interest	Total
Remainder of 2017		\$ 816,594	\$ 816,594
2018	3,825,000	1,537,563	5,362,563
2019	3,990,000	1,342,188	5,332,188
2020	4,195,000	1,137,563	5,332,563
2021	4,410,000	922,438	5,332,438
2022	4,635,000	713,694	5,348,694
2023	4,875,000	517,700	5,392,700
2024	5,120,000	317,800	5,437,800
2025	5,385,000	107,700	5,492,700
TOTAL	\$ 36,435,000	\$ 7,413,238	\$ 43,848,238
*In 2019, \$28,620,000 is callable to the Series 2010 COs.			

7. Please provide information on the Electric use of GO's and CO's.

Since 2010, it has been the City's practice to issue General Obligation debt (Certificates of Obligation for new debt and General Obligation Refunding Bonds for refunding outstanding debt) for Electric, Water and Wastewater (combined "Utility System") rather than Revenue Bonds. The City has always issued General Obligation debt for Solid Waste. By issuing General Obligation debt for the Utility System, the City is able to leverage its higher General Obligation credit rating (currently AA+ with Fitch and S&P) to reduce bond interest costs. Utility System Revenue Bonds issued in January 2017 for Electric were rated A+ by Fitch and AA- by S&P. Additionally, General Obligation debt does not require a bond reserve fund which further reduces the issuance costs to the Utility System since a bond reserve fund is generally required for Revenue Bonds. As a result of this practice and in conjunction with adoption of the FY 2010-11 Budget, the City Council

Question and Answer Memorandum

August 15, 2017

Page 3 of 5

approved the transfer of 100% of the interest cost savings from the Utility System to the Street Improvement Fund for street maintenance operations. Interest cost savings is the differential between bond interest on Revenue Bonds versus General Obligation debt. Through FY 2016-17, it is estimate that the City will have transferred approximately \$3.3 million from the Utility System to the Street Improvement Fund.

8. Please provide information on how TCOS revenues compare to debt issued for transmission projects.

The last transmission cost of service interim rate case filing was on June 30, 2016. At that time DME's net electric plant in service \$84.9 Million for the transmission cost of service (TCOS) return from the statewide system. The Public Utility Commission (PUC) sets annual amounts based on interim rate cases filed, electric load and the coincidental peaks of each ERCOT entity. The amount of revenue DME budgets each year is based on our most recent interim rate case, plus additional plant in service that has energized since the last filing, as well as the prior year annual amount set by the PUC. For FY 16-17 DME budgeted \$12.6 Million. Based on the 2016 interim filing and the 2017 PUC annual amounts the FY 16-17 estimate has been revised to \$16.8. For the FY 2017-18 Proposed Budget DME has budget \$20.1 Million for transmission revenue. The preliminary numbers for the 2017 interim filing show DME's net plant in service is \$123.5 Million. This increase in TCOS return will be realized in the 2018-19 fiscal year.

The following table displays annual transmission revenues and annual transmission debt service.

DME Transmission Cost of Service					
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18
	Actual	Actual	Actual	Estimate	Proposed
Net Plant In Service/	\$ 29,261,261	\$ 40,764,542	\$ 60,725,165	\$ 84,901,384	\$ 123,538,769
Annual Transmission Revenue	\$ 4,408,419	\$ 6,349,642	\$ 11,963,733	\$ 16,856,384	\$ 20,192,678
Annual Estimated Transmission Debt Service	\$ 9,115,062	\$ 12,403,657	\$ 13,676,205	\$ 15,093,815	\$ 17,112,405
% of Transmission Revenue to Debt	48.36%	51.19%	87.48%	111.68%	118.00%
Total Debt Service	\$ 22,028,126	\$ 25,636,325	\$ 29,107,011	\$ 29,137,181	\$ 34,399,150
Transmission % of Debt	41.38%	48.38%	46.99%	51.80%	49.75%
Transmission Debt Service	9,115,062	12,403,657	13,676,205	15,093,815	17,112,405

9. Please provide information on the current outstanding City debt issued for the TMPA facility and debt issued directly by TMPA.

Page 1 of Exhibit 3 shows the three City debt issuances related to the TMPA facility. Page 2 shows the City's portion of TMPA debt issued for generation and transmission. As a reminder, TMPA transmission debt has been paid by annually by TCOS revenues received by TMPA and not by the City.

10. Please provide information on connect fees related to the metering and how have the costs been impacted by converting to automated meters.

The standard connect fee is \$23 to connect both the water and electric meters. A technician must be sent out to connect the water service since water meters have no remote connect/disconnect capability. Of the City's active electric meters, only 54% have the remote connect/disconnect capabilities. The meter connection charge has not been adjusted as a result of the automated meter reading (AMI) program.

11. Please provide information on the breakdown of how advertising dollars are spent in the General Fund.

The General Fund has \$140,436 budgeted in line 7912 for advertising. Public Communications Office (PCO) accounts for 44%, (\$62,250) of the advertising budget. PCO advertising includes such items as; Citizen Connection (utility bill newsletter) monthly production, Annual Citizen Update production, Water Quality Report production, Utility Rate Brochure production, Cable advertising, Theater advertising, Social media advertising, and Denton Record-Chronicle advertising. Parks has 27% (\$37,500) of the advertising budget. This includes advertising for Parks and Recreation events in magazines, newspapers, direct mail, social media, and radio. The remainder of the budget is distributed between Libraries, Transportation (for Bicycle and Pedestrian activities), Development Services, Human Resources and CMO. Advertising costs for these areas include promotion of programs, employee recruitment advertising and newspaper legal notices.

12. Please provide information on the breakout of vehicle maintenance by type of vehicle.

A breakout of vehicles by fund and vehicle type is included in Exhibit 4. The Exhibit also includes the maintenance and fuel costs for FY 2015-16 for reference.

13. Please provide information on the breakdown of Keep Denton Beautiful expenses and income, specifically, sources of funds (private donations, grants, city funding with source of funds identified), rents paid (and source of funding), salaries, amounts fundraised, and distributions.

This information is provided in Exhibit 5.

14. Please provide information on utility customer deposits.

The City's current utility deposits policy was most recently updated on November 16, 2010 and is included as Exhibit 6. Utility deposits for residential and commercial accounts are dependent upon the credit risk assessment and can range from no deposit required up to the no more than 1/6 of the annual utility billing at the service address or similar location.

15. Please provide information on the status of the ADA Comprehensive Study for Streets/Right-of-Way/Sidewalks.

This one time supplemental funding of \$250,000 was included in the FY 2016-17 budget. The City's capital projects staff has met with a consulting firm that provides these services and their costs far exceed the budget for this study. Staff is currently evaluating options including use of in-house resources, limiting the study to specific sections of the City or searching for other firms that can provide this service.

16. Please provide information on early warning sirens, both locations covered by existing sirens as well as potential sites for additional coverage.

Exhibit 7 shows two maps. The first map highlights the coverage of existing early warning sirens within the City. The second map depicts the additional coverage that would be provided by new locations, implemented in phases, blue, (year 1) and red (years 2 and 3).

PROJECTED RESIDENTIAL AND COMMERCIAL DEVELOPMENT FOR FY2018

New Residential Development

#	Description	Units	Services
1	Old North Park Phase 3	41	\$ 64,575
2	Courts of Bonnie Brae	106	166,950
3	Teasley Trails Phase 2	88	138,600
4	Fireside Village Phase 1	53	83,475
5	Beaver Creek Phase 2	60	94,500
6	Cole Ranch Development	100	157,500
7	Harvest Hills	154	242,550
8	Country Club Village	32	50,400
9	McKamy Evers Estates, Phase 2	143	225,225
10	Hartlee Field Ranch Development	100	157,500
11	Glenwood Meadow	112	176,400
12	Kings Ridge Estates	100	157,500
13	Hills of Denton	100	157,500
14	Diamond T Residential	168	264,600
15	Country Club Rd Estates	73	114,975
16	Sherman Crossing Addition Phase 2	202	318,150
17	Country Lakes West Phase 2	70	110,250
18	Habitat Community	32	50,400
19	Villages of Carmel Phases 5B	87	137,025
		1821	\$ 2,868,075

New Apartment Complex

#	Description	Units	
1	Tribeca Lofts	50	\$ 27,550
2	Audra Heights Phase 2 Duplexes	74	40,774
3	The Enclave Apartments	260	143,260
4	Eagle Heights	100	55,100
5	State School Road Duplexes	40	22,040
6	La Hacienda Heights	327	180,177
7	Denton Apartments	239	131,689
8	W Hickory Apartments	12	6,612
9	N Elm St Apartments	289	159,288
10	Rayzor Ranch Apartments	300	165,300
11	Brentwood Place Townhomes	180	99,180
12	915 Ave A Apartments	34	18,734
13	Windsor Multi-Family	220	121,220
		2125	\$ 1,170,924

New Commercial Business

#	Description	Units	
1	Dillards @ RRTC	1	\$ 16,800
2	JR Marriott Office Warehouses	1	16,800
3	COD Public Safety Training Facility	1	16,800
4	Hickory Creek Detention Facility	1	16,800
5	Teasley Commons	1	16,800

PROJECTED RESIDENTIAL AND COMMERCIAL DEVELOPMENT FOR FY2018

New Commercial Business (continued)

#	Description	Units	
6	COD Traffic Building	1	16,800
7	PFL Office Warehouse	1	16,800
8	Alamo Cinema @ RRTC	1	16,800
9	DISD Administration Building	1	16,800
10	Avalon Memory Care Facility	1	16,800
11	Funeral Home US 380 & Nottingham	1	16,800
12	Ranch View Hospital	1	16,800
13	Natural Gas Fueling Station, Landfill	1	16,800
14	Shady Shores Kroger	1	16,800
15	Rayzor Ranch Medical Office	1	16,800
16	Discount Tire Rayzor Ranch N	1	16,800
17	Survival Systems USA	1	16,800
18	Buc-ee's	1	16,800
19	Buc-ee's Retail	2	33,600
20	Cavenders Boot Store	1	16,800
21	Vaquero Building, SW of FM426 and Glengarry Way	1	16,800
22	Unicorn Lake Lot 3R	1	16,800
23	Glenwood Park Professional Offices	1	16,800
24	Shady Shores Retail	3	50,400
25	Rooms To Go @ RRTC	1	16,800
26	Service King	1	16,800
27	Denton Regional Medical Park	3	50,400
28	Rayzor Ranch South - General	3	50,400
29	Community Market	1	16,800
30	Sherman Crossing	3	50,400
31	G Rowland Vela Soccer Complex	1	16,800
32	Duchess Dr Office Bldg 2	1	16,800
33	Restaurants @ RRTC	4	67,200
34	Downtown Redevelopment (DTIP)	3	50,400
35	TWU West Parking Garage	1	16,800
36	McKinney Retail Development (12,900 sq ft)	1	16,800
37	North Lakes Shopping Center	3	50,400
38	Love's Travel Center	1	16,800
39	Western Gate West	1	16,800
40	Emery St Medical Office	1	16,800
41	Holiday Inn Express I35E	1	16,800
42	Mission St Offices	1	16,800
43	Scripture St Medical Office	1	16,800
44	Geesling Industrial Park	1	16,800
45	Miscellaneous commercial developments	15	252,000
		75	\$ 1,260,000
	New Secondary Services - Operations & Maintenance		\$ 507,553
	New Secondary Services - Distribution		\$ 562,000
	TOTAL		<u>\$ 6,368,552</u>

Feeder Extension and Improvements (019)

#	FY 2018 - PROJECTS	COST
B18006	General Distribution System Improvements Due to Load Growth	\$250,000
B17011	McKinney West Line Upgrade: Rebuild/upgrade approximately 4,280' of 3-phase single circuit overhead line with double circuit overhead line along McKinney St from Audra Ln west to UPRR.	\$400,000
B17012	Rayzor Ranch South Phase 3: Construct new underground primary lines to support Rayzor Ranch development (multi-year project; construct as development occurs).	\$650,000
B17014	Windsor Dr Feeder Tie: Construct approximately 5,500' of underground line along Windsor Dr from Bonnie Brae St east to Hinkle Dr (NL212).	\$850,000
B17015	Western Blvd Duct Bank East: Construct approximately 4,000' of multi-conduit duct bank along east side of Western Blvd from RD Wells Sub north to Jim Christal Rd.	\$1,000,000
B18007	Hinkle Dr Rebuild: Rebuild approximately 2,600' of double circuit overhead lines and 1,400' of single circuit overhead along Hinkle Dr from Windsor Dr to US 380.	\$350,000
B18001	Bernard/James St Rebuild: Rebuild approximately 1.25 miles of overhead line along Bernard St/James St, from Acme St to US 377 (due to age/condition of facilities).	\$450,000
B18003	Willowwood St Rebuild: Rebuild approximately 1.14 miles of overhead line on Willowwood St from Bonnie Brae to Bernard St. (due to age/condition of facilities)	\$400,000
B18005	West Hickory St Rebuild: Rebuild approximately 5,100' of overhead line along West Hickory St, from Bonnie Brae St to Bernard St (aging facilities).	\$500,000
B17019	Teasley Sub Manhole Rebuild: Rebuild/add multiple pull-boxes and reconfigure distribution feeders to eliminate operational issue of multiple circuits in common manholes.	\$250,000
B17020	Old Kings Row Area Rebuild Phase 1: Rebuild existing distribution facilities in the area SW of old Kings Row Sub due to condition and reliability improvement.	\$300,000
B17027	Old Kings Row T-Line UB Rebuild: Rebuild/convert existing distribution underbuild and services along existing 69kV T-line from Kings Row south and east to Old North Rd.	\$400,000
B17021	Swisher & FM426 Tie Phase 3: Construct approximately 4,800' of main line circuit from COD landfill south to Swisher Rd. This will extend Pockrus feeder PK222 north to FM 426 and tie to Arco 221.	\$250,000
B17024	Winston - I35E Tie: Construct approximately 4,600' of main line circuit from Winston east to I35E then south to circuit PR213. This project will creat another tie between Pockrus Sub and Teasley Sub.	\$450,000
B18016	Ruddell St Feeder Upgrade: Upgrade approximately 2,400' of 3-ph OH line to 556 AAC along Ruddell St from US380 to Mingo Rd.	\$150,000
B18020	US 377 Line Upgrade: Rebuild 6,000' of existing 3-ph OH line to double circuit along US 377 from FW Substation to Brush Creek Rd to create separate circuit for tie east on Brush Creek Rd to Teasley circuit.	\$500,000
B18100	UNT Conversion: Convert approximately 3,000' of existing overhead line to underground.	\$850,000
B17030	Long Road - Denton North T-Line UB: Construct approximately three (3) miles of double circuit distribution underbuild from Long Road to Denton North Substation.	\$500,000
B17031	Hickory Substation Exit Feeders: Construct distribution exit feeders out of the new Hickory Substation at W Hickory St and Bonnie Brae St.	\$1,000,000
B17034	Locust Substation Exit Feeders: Construct distribution exit feeders out of the new Locust substation.	\$1,000,000
B17036	Pockrus - Mayhill T-Line UB: Construct approximately 2 miles of double circuit distribution underbuild from the Spencer Interchange to the Pockrus Substation.	\$400,000

Feeder Extension and Improvements (019)

#	FY 2018 - PROJECTS	COST
B17037	Cooper Creek - Arco T-Line UB: Construct approximately 2 miles of double circuit distribution underbuild from the Cooper Creek Substation to Arco Substation.	\$400,000
B18027	Hickory - Locust T-Line UB Phase 1: Construct approximately three (3) miles of double circuit distribution underbuild on new 138 kV line from Hickory Substation to Locust Substation.	\$500,000
B18103	Spencer - Locust T-Line UB: Construct approximately 1.6 miles of double circuit distribution underbuild from the Spencer Substation to Locust Substation.	\$250,000
B18101	Jim Christal Substation Exit Feeders: Construct distribution exit feeders out of the new Jim Christal Substation at W Jim Christal Rd.	\$750,000
B18102	Jim Christal Rd Relocation: Rebuild/relocate 2800' of OH distribution circuits along Jim Christal Rd from Western Blvd going east to accommodate road widening plans.	\$500,000
B17004	IH-35E Relocations Phase 3: Relocate existing DME facilities to accommodate TxDOT project. Detail plans not yet available. Per TXDOT, this is a design-build project.	\$500,000
B17009	Bonnie Brae Expansion Phase 3: Construct/rebuild approximately 8,800' of double circuit overhead lines along Bonnie Brae St from IH-35E south to Roselawn Dr to accommodate the City of Denton Bonnie Brae Rd expansion project.	\$1,200,000
	Total	\$15,000,000

Feeder Extensions and Improvements

#	FY 2019 - PROJECTS	COST
B19009	General Distribution System Improvements Due to Load Growth	\$350,000
B18008	McKinney/Oakland Feeder Tie: Upgrade approximately 1,000' of 4/0 UG line to 500 CU along McKinney St from Bell Ave west to Oakland St.	\$150,000
B18009	Long Rd Feeder Tie: Construct approximately 3,600' of double circuit overhead lines from the proposed Long Road Substation west to Locust St.	\$300,000
B18010	Hickory Creek Rd to Brush Creek Rd Feeder Extension: Construct 1.76 miles of main line circuit along Hickory Creek Rd and Brush Creek Rd from Waterside Pl west to Argyle Ln. This will provide an additional system tie between the Fort Worth Substation and the Teasley Substation to improve system reliability in the southwest area of the City.	\$650,000
B18011	The Hills of Denton: Construct distribution circuits to accommodate proposed development north of Loop 288 and west of FM2164.	\$500,000
B18012	Rayzor Ranch South Phase 4: Construct new underground primary lines to support Rayzor Ranch development (multi-year project; construct as development occurs).	\$200,000
B19100	Long Road Substation Feeder Ties: Construct distribution feeder ties from new Long Road Substation to tie to circuits from other substations.	\$500,000
B18002	Owsley Park Addition Rebuild: Rebuild approximately 1.67 miles of overhead line on Prairie, Stella, Charlotte, Louise, Ave H, and Ave G. (due to age/condition of facilities)	\$400,000
B18004	Hillside Addition System Improvements: Rebuild/upgrade approximately 4,400' of overhead lines on Fannin, Collins, Peak, Norman, Neff and Welch.	\$200,000
B18013	Kings Row West Dbl Circuit Upgrade: Rebuild/upgrade approximately 3,200' of double circuit overhead lines along Kings Row from the existing substation west to FM 428 (Sherman Dr).	\$400,000
B18014	Old Kings Row Area Rebuild Phase 2: Rebuild existing distribution facilities in the area SW of old Kings Row Sub due to condition and reliability improvement.	\$250,000
B18015	Coronado Dr Feeder Upgrade: Upgrade approximately 1,800' of underground line along Coronado Dr from Locust St to Bell Ave.	\$225,000
B18017	Bonnie Brae South Feeder Tie Construct approximately 5,000' of double-circuit overhead line along Bonnie Brae St from Vintage Blvd north to Roselawn Dr for feeder tie.	\$700,000
B18018	FM1515 - I35W Rebuild: Construct approximately 2,500' of double-circuit overhead line along FM1515 and across I35W to Bonnie Brae St for feeder tie.	\$400,000
B18019	I35W North Feeder Tie: Construct approximately 3,200' of 3-ph underground line along I35W SB Service Rd from Love's Travel Center to Loop288 for feeder tie.	\$500,000
B18021	Mingo Rd Feeder Extension: Construct 2,700' of 3-ph line along Mingo Rd from Mockingbird Ln to east side of Loop 288.	\$250,000
B18022	Blagg Rd Feeder Upgrade: Upgrade 3,500' of 3-ph line to double circuit along Blagg Rd from Arco Sub east to Lakeview Blvd.	\$300,000
B18023	Downtown Area Switch Replacement: Replace two pad-mounted air insulated switches (SW#180 and SW #200) with sealed switches due to condensation/corrosion.	\$400,000
B19003	UNT Conversion: Convert approximately 3,000' of existing overhead line to underground.	\$850,000
B18024	Old Kings Row Feeder Rebuild Phase 3: Rebuild/convert existing distribution underbuild and services along existing 69kV T-line from Kings Row south and east to Old North Rd.	\$400,000
B17029	Arco - Long Road T-Line UB: Construct approximately five (5) miles of double circuit distribution underbuild from Arco to Long Road Substation.	\$800,000
B18025	Brinker Substation Exit Feeders: Construct distribution exit feeders out of new Brinker Substation and tie into existing Woodrow and Industrial Substation feeders.	\$1,000,000

Feeder Extensions and Improvements

#	FY 2019 - PROJECTS	COST
B19018	Hickory - Locust T-Line UB Phase 2: Construct approximately three (3) miles of double circuit distribution underbuild on new 138 kV line from Hickory to Locust Substation.	\$250,000
B18029	RD Wells Substation Exit Feeders: Construct distribution exit feeders out of the new substation due to transformer addition.	\$800,000
B18030	Eagle Substation Exit Feeders: Construct distribution exit feeders out of the new substation. Location to be determined.	\$600,000
B18031	Underwood Substation Exit Feeders: Construct distribution exit feeders out of the new substation near intersection of Underwood Rd and FM2449.	\$950,000
B18032	Long Road Substation Exit Feeders: Construct distribution exit feeders out of the new Long Road substation.	\$600,000
B18033	Mayhill Substation Exit Feeders: Construct distribution exit feeders out of the new substation on Mayhill Rd to tie into existing feeders.	\$850,000
	Total	\$13,775,000

Feeder Extension and Improvements (019)

#	FY 2020 - PROJECTS	COST
B20003	General Distribution System Improvements Due to Load Growth	\$500,000
B19004	Rayzor Ranch South Phase 5: Construct new underground primary lines to support Rayzor Ranch development (multi-year project; construct as development occurs).	\$500,000
B19005	Masch Branch Rd Feeders Extension: Construct 2.4 mi of double circuit overhead distribution feeders along Masch Branch Rd from proposed new Masch Branch Substation south and east to US380 to tie proposed substation to existing feeders.	\$1,000,000
B19006	Cole Ranch Development Phase 1: Construct distribution circuits to accommodate new development in the southwest area of Denton.	\$500,000
B19007	Loop 288 Feeder Extension from FM 428 to Mingo: Construct approximately 2.1 miles of overhead line outside Loop 288 from Sherman Dr south to Mingo.	\$550,000
B19008	Peterbilt Expansion Phase 1: Relocate/reconfigure existing underground and overhead distribution lines from RD Wells Substation to accommodate proposed Peterbilt expansion project to north of existing site.	\$1,500,000
B20004	Brush Creek Road Line Rebuild: Rebuild/Upgrade approximately 3,100' of overhead line and 1,400' of underground line along Brush Creek from US 377 to Argyle Ln. Existing underground is #2 AL and the overhead line is 4/0 AAC.	\$300,000
B20102	Underwood Substation Feeder Ties: Construct distribution feeder ties from new Underwood Substation to tie to circuits from other substations.	\$800,000
B19001	Georgetown Dr Rebuild: Rebuild approximately 3,300' of overhead line along Georgetown Dr from Amherst Dr to Windsor Dr (aging facilities, over 40 years old).	\$250,000
B19002	Rebuild Double Circuit along KCS RR from Jim Christal Rd to US 380: Rebuild approximately 4,000' of double circuit overhead lines west of IH-35 along the RR, from Jim Christal Rd to US 380 (aging infrastructure is 47 years old).	\$300,000
B19010	Old Kings Row Area Rebuild Phase 3: Rebuild existing distribution facilities in the area SW of old Kings Row Sub due to condition and reliability improvement.	\$250,000
B19011	IH-35E and Teasley Ln Feeder Tie: Reconfigure feeders on the south side of the intersection of IH-35E and Teasley Ln.	\$150,000
B19012	Meadow St & I35E Feeder Tie: Install approximately 2,150' of OH and 1,500' of UG 3-ph to create feeder tie between circuits WR221 and LC222.	\$300,000
B19013	US380/Lakeview Feeder Tie: Construct 3,300' of OH 3-ph line along US380 from Geesling Rd east to Lakeview Blvd and 3,100' of UG 3-ph along Lakeview Blvd from US380 south to Blagg Rd to create circuit tie.	\$600,000
B19014	Old North Rd to Mingo Rd Feeder Extension: Construct approximately 2,000' of overhead line along US 380 and Mingo from Old North Rd east to the CC-KR 138kV transmission line underbuild.	\$150,000
B19015	Blagg Rd - McKinney St Feeder Tie: Construct approximately 9,000' of 3-phase overhead line from Blagg Rd to McKinney St. This will tie Pockrus feeder PK222 north to Arco.	\$450,000
B19016	North Bell Avenue Feeder Tie: Install approximately 800' of underground line along Bell Ave from Coronado Dr to Chisolm Trl.	\$100,000
B19017	Sherman Dr Feeder Upgrade: Rebuild approximately 6,700' of existing 3-ph OH line to double circuit along Sherman Dr from Kings Row south to Bell Ave.	\$600,000
B20100	UNT Conversion: Convert approximately 3,000' of existing overhead line to underground.	\$850,000

Feeder Extension and Improvements (019)

#	FY 2020 - PROJECTS	COST
B20101	Street Light Conversion Phase 1: Convert approximately 2500 existing HPS street lights to LED.	\$250,000
B20102	Distribution Automation: Install automated distribution equipment at select locations to develop smart distribution grid.	\$250,000
B19019	Underwood - Denton West T-Line UB: Construct approximately 1.75 miles of double circuit distribution underbuild along FM 2449 from Underwood Rd west to Denton West Sw Sta.	\$500,000
B19020	Masch Branch Substation Exit Feeders: Construct distribution exit feeders to facilitate proposed substation.	\$1,000,000
	Total	\$11,650,000

Feeder Extension and Improvements (019)

#	FY 2021 - PROJECTS	COST
B21001	General Distribution System Improvements Due to Load Growth	\$750,000
B20005	Masch Branch East Feeder Extension: Construct 1.8 mi of double circuit overhead distribution feeders from proposed new Masch Branch Substation east to I35 to serve new load and tie to existing feeders.	\$750,000
B20006	United Copper Alternate Circuit: Construct approximately 3,600' of overhead line and 1,100' of underground line from intersection of Mingo and Cooper Creek Rd, east to United Copper.	\$300,000
B20007	Cole Ranch Development Phase 2: Construct distribution circuits to accommodate new development in the southwest area of Denton.	\$500,000
B20001	Rebuild Double Circuit along Hercules: Rebuild approximately 1.12 miles of distribution underbuild on the existing 69kV transmission line along Hercules from FM 428 (Sherman Dr) west to Locust St.	\$400,000
B20008	Kings Row to Mingo Rd Feeder Tie: Construct approximately 4,800' of overhead line along east side of Loop288 from Kings Row south to Mingo Rd to create circuit tie between Kings Row Sub and Arco Sub.	\$300,000
B20009	Reconstruct/Reconfigure Locust 211 Feeder: Reroute transmission underbuild portion of circuit LC221 along Collins St and Bernard St by upgrading overhead line along Cleveland St. Build a main line circuit along south side of Eagle Dr.	\$150,000
B21100	Street Light Conversion Phase 2: Convert approximately 2500 existing HPS street lights to LED.	\$250,000
B21101	Distribution Automation: Install automated distribution equipment at select locations to develop smart distribution grid.	\$350,000
B20010	Brinker Substation Exit Feeders: Construct distribution exit feeders out of new Brinker Substation and tie into existing Woodrow and Industrial Substation feeders.	\$1,000,000
B20012	Brinker - Arco T-Line UB: Construct approximately four (4) miles of double circuit distribution underbuild from the North Spencer Substation to Arco Substation.	\$800,000
B20013	Mayhill - Arco T-Line UB: Construct approximately four (4) miles of double circuit distribution underbuild from Pockrus to Arco Substation.	\$800,000
B20002	McKinney St Rebuild: Rebuild/relocate existing facilities on McKinney St, from Woodrow St to Ryan High School (2.5 miles), to accommodate road widening.	\$500,000
	Total	\$6,850,000

#	FY 2022 - PROJECTS	COST
B22001	General Distribution System Improvements Due to Load Growth	\$1,000,000
B21002	Downtown Feeder Upgrade Phase 1: Upgrade approximately 1,000' of 3-ph underground line in the downtown area to new 750MCM cable and 6" conduit due to load growth and age of cable.	\$500,000
B21003	Allred Rd Feeder Tie: Construct approximately 7,400' of 3-ph overhead line along Allred Rd from Bonnie Brae St west to I35W to create circuit tie.	\$450,000
B21004	I35W South Feeder Extension: Construct approximately 7,500' of 3-ph overhead line along west side of I35W from end of existing circuit south to Robson Ranch Rd to serve future load growth.	\$500,000
B21005	Bonnie Brae North Feeder Extension: Construct approximately 9,400' of new line along Bonnie Brae St from Loop 288 north to Ganzer Rd. This project will serve future load growth.	\$550,000
B21006	Ganzer-Long Rd Feeder Tie: Construct approximately 2.5 mi of new 3-ph line Ganzer Rd/Bonnie Brae east to Locust St and south to Long Rd and tie into future Long Rd Substation feeder. This project will be to serve future load growth in this area.	\$800,000
B22003	Hartlee Field Rd Feeder Ties: Construct feeders ties from new Hartlee Field Road feeder exits to tie to other substation feeders.	\$500,000
B22005	Distribution Automation: Install automated distribution equipment at select locations to develop smart distribution grid.	\$500,000
B22002	Street Light Conversion Phase 3: Convert approximately 2500 existing HPS street lights to LED.	\$250,000
B22004	Hartlee Field Rd Substation Exit Feeders: Construct distribution exit feeders out of the new Hartlee Field Road substation.	\$800,000
B21007	North Lakes Substation Exit Feeders Phase 2: Construct 2 additional distribution exit feeders out of North Lakes substation to serve load growth in area.	\$500,000
	Total	\$6,350,000

Attachment D-1

DENTON MUNICIPAL ELECTRIC 2017 - 2018 VEHICLE REPLACEMENTS AND ADDITIONS						
HBU	Division	Description	Old EMIS #	Replacement	Addition	Funds
600200	Operations & Maintenance	Truck, 3/4T Extended Cab 4X4	EO0935	\$ 31,260		Recovery
600200	Operations & Maintenance	Trailer, Utility	EO0162	4,400		Recovery
600200	Operations & Maintenance	2T Crew Cab Utility Body	EO1037	43,410		Recovery
600300	Distribution	Truck, 2T Crew Cab, Utility Bed	ED9105	60,765		Recovery
600300	Distribution	Trailer, Reel	ED0156	30,460		Recovery
600300	Distribution	Self loading wire trailer	ED0166	18,460		Recovery
600300	Distribution	Self loading wire trailer	ED0166	18,460		Recovery
600300	Distribution	Altec Bucket Truck	ED0338	236,815		Recovery
600300	Distribution	Backhoe	ED0416	105,860		Recovery
600300	Distribution	Truck, 3T Pole Truck	ED0854	103,540		Recovery
600300	Distribution	Backhoe Loader	ED0855	105,860		Recovery
600300	Distribution	Backhoe Extahoe	ED0856	105,860		Recovery
600300	Distribution	Altec Bucket Truck	ED0858	236,815		Recovery
600300	Distribution	Truck, 2T Crew Cab, Utility Bed	ED0947	60,765		Recovery
600300	Distribution	ATV-500 Gator, Pro	ED1134	16,160		Recovery
600400	Substations	Truck, 3/4T Util	ES0765	46,800		Recovery
600400	Substations	Truck, 1/2T Ext Cab	Fleet Addition		32,090	Recovery
600500	Engineering	Truck, 1/2T Reg Cab 4WD	EE0649	28,855		Recovery
600600	Metering	Truck, 1/2T Reg Cab	EM0878	27,700		Recovery
600600	Metering	Truck, 1/2T Reg Cab Utility Body	EM1042	40,600		Recovery
600800	Communications	Truck, 1/2T Ext Cab	EC0426	33,500		Recovery
Total Vehicle Replacement FY 2017-18				\$ 1,356,345	\$ 32,090	\$ 1,388,435

Attachment D-2

DENTON MUNICIPAL ELECTRIC 2018 - 2019 VEHICLE REPLACEMENTS AND ADDITIONS						
HBU	Division	Description	Old EMIS #	Replacement	Addition	Funds
600002	Power Supply Administration	Small SUV	EP0952	\$ 35,000		Recovery
600200	Operations & Maintenance	Mule	EO07107	15,000		Recovery
600200	Operations & Maintenance	Pole Machine	EO0857	112,300		Recovery
600200	Operations & Maintenance	1/2 Ton Truck	EO0949	25,000		Recovery
600200	Operations & Maintenance	1/2 T Extended Cab	EO1041	47,000		Recovery
600300	Distribution	Truck, Digger w TEXO Digger	ED0153	230,000		Recovery
600300	Distribution	Trailer, Utility Flat Bed	ED0159	4,500		Recovery
600300	Distribution	Trailer, Utility Flat Bed	ED0160	4,600		Recovery
600300	Distribution	Trailer, Utility Flat Bed	ED0161	8,000		Recovery
600300	Distribution	Trencher w/Trailer	ED0167	120,000		Recovery
600300	Distribution	Trailer, ET10 Pole - Tandem Axle	ED1708	45,000		Recovery
600300	Distribution	Truck, 2T UtilityBed 84" CA	ED0853	70,500		Recovery
600300	Distribution	Truck, Utility Bed Breadtruck	ED0946	75,000		Recovery
600300	Distribution	Truck, Knuckle Crane	ED0948	450,000		Recovery
600300	Distribution	Altec Hybrid Bucket Truck	ED0990	300,000		Recovery
600300	Distribution	Truck, Altec Bucket	ED0993	250,000		Recovery
600300	Distribution	Truck, Altec Bucket	ED0994	250,000		Recovery
600300	Distribution	Loader, Backhoe	ED1028	125,000		Recovery
600400	Sustations	Wheel Loader	ES0536	56,250		Recovery
600400	Sustations	Trailer, Power - Mobile Transforme	ES9139	67,700		Recovery
600500	Engineering	Truck, Supercab	EE0766	35,000		Recovery
600600	Metering	1/2 Ton Truck	EM0879	27,000		Recovery
600600	Metering	Truck, 1/2T ExtC	EM1043	38,200		Recovery
600600	Metering	1/2 Ton Truck	EM1135	25,300		Recovery
600800	Communications	SUV - Tahoe	EC1036	44,280		Recovery
600800	Communications	Truck, 1/2T Crew Cab	Fleet Addition		33,500	Recovery
600110	Safety & Training	Truck, 1/2T Ext Cab	ET1591	33,400		Recovery
Total Vehicle Replacement FY 2018-19				\$ 2,494,030	\$ 33,500	\$ 2,527,530

Attachment D-3

DENTON MUNICIPAL ELECTRIC 2019 - 2020 VEHICLE REPLACEMENTS AND ADDITIONS						
HBU	Division	Description	Old EMIS #	Replacement	Addition	Funds
600200	Operations & Maintenance	2T Truck, Aerial/Bu 4x4	EO1582	\$ 200,000		Recovery
600200	Operations & Maintenance	2T Truck, Aerial/Bu 4x4	EO1583	200,000		Recovery
600300	Distribution	Trailer, Reel - Tandem Axle	ED0178	172,800		Recovery
600300	Distribution	Altech Aerial Bucket	ED0876	184,880		Recovery
600300	Distribution	Truck, Altec Line Hybrid Drive	ED0942	286,500		Recovery
600300	Distribution	Truck, Altec Line Hybrid Drive	ED0943	285,900		Recovery
600300	Distribution	Truck, Altec Line	ED0944	235,000		Recovery
600300	Distribution	Trailer, 20 ft 14,000 GVWR	ED0987	5,116		Recovery
600300	Distribution	Truck, 2T Utility Breadtruck	ED1029	75,000		Recovery
600300	Distribution	Trackhoe, Excavator (small)	ED1030	100,000		Recovery
600300	Distribution	Truck, Dump 12yd - Tandem Axle	ED1031	117,000		Recovery
600300	Distribution	Truck, 1 1/2T Utility bed	ED1032	46,300		Recovery
600300	Distribution	Truck, 1/2T Ext Cab	ED1034	30,000		Recovery
600300	Distribution	Truck, 1/2T Ext Cab	ED1038	30,000		Recovery
600300	Distribution	Loader, Skid Steer	ED1130	38,700		Recovery
600400	Substations	Truck, 1/2T ExtC	ES1026	36,000		Recovery
600400	Substations	Truck, Utility Body Aerial Lift	ES1058	156,250		Recovery
600400	Substations	Trailer, Small Oil Tanker - Tandem	ES9226	7,200		Recovery
600600	Metering	Truck, 3/4T Ext Cab	EM1080	45,500		Recovery
600600	Metering	Truck, 1/2T Reg Cab	EM1228	31,500		Recovery
600600	Metering	Tahoe	EM1286	32,100		Recovery
Total Vehicle Replacement FY 2019-20				\$ 2,315,746	\$ -	\$ 2,315,746

Attachment D-4

DENTON MUNICIPAL ELECTRIC 2020 - 2021 VEHICLE REPLACEMENTS AND ADDITIONS						
HBU	Division	Description	Old EMIS #	Replacement	Addition	Funds
600002	Power Supply Administration	SUV - Expedition	EP1353	\$ 40,600		Recovery
600200	Operations & Maintenance	2T Truck, Aerial/Bucket 4x4	EO1584	187,500		Recovery
600200	Operations & Maintenance	1/2 Ton Pickup	EO1355	37,300		Recovery
600202	System Operations	Truck, 1/2 Ton 4x4	EB1357	39,000		Recovery
600202	System Operations	Truck, 1/2 Ton 4x4	EB1358	38,500		Recovery
600300	Distribution	Pole Trailer - Tandem Axle	ED0851	37,500		Recovery
600300	Distribution	Trailer, 3 Reel - Tandem Axle	ED0859	41,900		Recovery
600300	Distribution	Trailer, Tandem Axle Dump Body	ED1167	11,200		Recovery
600300	Distribution	Truck, 1/2T Ext. CAB	ED1414	34,700		Recovery
600400	Substation	Truck, 2T Utility Ext Cab 4x4	ES1243	65,000		Recovery
600400	Substation	Truck, 3/4 Ton Ext Cab	ES1360	47,500		Recovery
600400	Substation	Trailer, Large Oil Tanker Tank Bod	ES9251	9,200		Recovery
600600	Metering	Truck, 3/4T Utility Bed 4x4	EM1227	25,000		Recovery
600800	Communications	Truck, 1/2 T Crew Cab	EC1399	28,100		Recovery
Total Vehicle Replacement FY 2020-21				\$ 643,000	\$ -	\$ 643,000

Attachment D-5

DENTON MUNICIPAL ELECTRIC 2021 - 2022 VEHICLE REPLACEMENTS AND ADDITIONS						
HBU	Division	Description	Old EMIS #	Replacement	Addition	Funds
600200	Operations & Maintenance	Hybrid bucket Truck	EO1178	\$ 279,300		Recovery
600200	Operations & Maintenance	Truck, 1/2T ExtC	EO1229	45,000		Recovery
600202	System Operations	Suburban	EB1259	36,900		Recovery
600300	Distribution	Puller, Overhead (trailer)	ED1133	105,000		Recovery
600400	Substation	Truck, 3/4T Ext Cab	ES1415	43,750		Recovery
600400	Substation	Truck, 1/2T Ext Cab	ES1416	32,300		Recovery
600600	Metering	Truck, 1/2T Reg Cab	EM1286	44,375		Recovery
600600	Metering	Truck, 3/4T	EM1363	41,100		Recovery
600110	Safety & Training	Truck 1/2/T ExT C	ES1225	41,500		Recovery
Total Vehicle Replacement FY 2021-22				\$ 669,225	\$ -	\$ 669,225

DME TMPA RELATED DEBT
BALANCES AS OF 8/3/17

DME INTERNAL DEBT									
	Series 2010 CO DME TMPA Debt (Scrubber)			Series 2014 GO TMPA CABS**			Series 2015 GO TMPA CABS**		
	Principal	Total Interest	Total	Principal	Total Interest	Total	Principal	Total Interest	Total
Remainder of 2017		\$ 816,594	\$ 816,594		\$ 267,650	\$ 267,650		\$ 71,600	\$ 71,600
2018	3,825,000	1,537,563	5,362,563		535,300	535,300	-	143,200	143,200
2019	3,990,000	1,342,188	5,332,188	1,700,000	492,800	2,192,800	435,000	132,325	567,325
2020	4,195,000	1,137,563	5,332,563	1,785,000	405,675	2,190,675	455,000	112,350	567,350
2021	4,410,000	922,438	5,332,438	1,875,000	314,175	2,189,175	480,000	91,250	571,250
2022	4,635,000	713,694	5,348,694	1,975,000	217,925	2,192,925	500,000	66,750	566,750
2023	4,875,000	517,700	5,392,700	2,075,000	116,675	2,191,675	530,000	41,000	571,000
2024	5,120,000	317,800	5,437,800	2,160,000	32,400	2,192,400	555,000	13,875	568,875
2025	5,385,000	107,700	5,492,700	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-
TOTAL	\$ 36,435,000	\$ 7,413,238	\$ 43,848,238	\$ 11,570,000	\$ 2,382,600	\$ 13,952,600	\$ 2,955,000	\$ 672,350	\$ 3,627,350

*In 2019, \$28,620,000 is callable to the Series 2010 COs.

**Series 2014 and Series 2015 GOs do not have callable debt by 2020.

DME TMPA RELATED DEBT
BALANCES AS OF 8/3/17

TMPA INTERNAL DEBT						
Denton's Share (21.3%) of TMPA Generation Debt			Denton's Share (21.3%) of TMPA Transmission Debt***			
Principal	Total Interest	Total	Principal	Total Interest	Total	
Remainder of 2017	\$ -	\$ -	\$ -	1,819,020	607,863	2,426,883
2018	21,175,395	220,213	21,395,608	569,775	1,131,770	1,701,545
2019	-	-	-	593,205	1,108,979	1,702,184
2020	-	-	-	623,025	1,079,319	1,702,344
2021	-	-	-	653,910	1,048,168	1,702,078
2022	-	-	-	686,925	1,015,472	1,702,397
2023	-	-	-	721,005	981,126	1,702,131
2024	-	-	-	757,215	945,076	1,702,291
2025	-	-	-	794,490	907,215	1,701,705
2026	-	-	-	826,440	875,435	1,701,875
2027	-	-	-	867,975	834,113	1,702,088
2028	-	-	-	911,640	790,715	1,702,355
2029	-	-	-	956,370	745,133	1,701,503
2030	-	-	-	1,004,295	697,314	1,701,609
2031	-	-	-	1,050,090	652,121	1,702,211
2032	-	-	-	1,096,950	604,867	1,701,817
2033	-	-	-	1,152,330	550,019	1,702,349
2034	-	-	-	1,209,840	492,403	1,702,243
2035	-	-	-	1,270,545	431,911	1,702,456
2036	-	-	-	1,333,380	368,384	1,701,764
2037	-	-	-	1,400,475	301,715	1,702,190
2038	-	-	-	1,469,700	231,691	1,701,391
2039	-	-	-	1,543,185	158,206	1,701,391
2040	-	-	-	1,620,930	81,047	1,701,977
TOTAL	\$ 21,175,395	\$ 220,213	\$ 21,395,608	\$ 24,932,715	\$ 16,640,059	\$ 41,572,774

TOTAL DME INTERNAL AND TMPA INTERNAL DEBT		
Principal	Total Interest	Total
\$ 1,819,020	\$ 1,763,707	\$ 3,582,727
25,570,170	3,568,045	29,138,215
6,718,205	3,076,292	9,794,497
7,058,025	2,734,906	9,792,931
7,418,910	2,376,030	9,794,940
7,796,925	2,013,841	9,810,766
8,201,005	1,656,501	9,857,506
8,592,215	1,309,151	9,901,366
6,179,490	1,014,915	7,194,405
826,440	875,435	1,701,875
867,975	834,113	1,702,088
911,640	790,715	1,702,355
956,370	745,133	1,701,503
1,004,295	697,314	1,701,609
1,050,090	652,121	1,702,211
1,096,950	604,867	1,701,817
1,152,330	550,019	1,702,349
1,209,840	492,403	1,702,243
1,270,545	431,911	1,702,456
1,333,380	368,384	1,701,764
1,400,475	301,715	1,702,190
1,469,700	231,691	1,701,391
1,543,185	158,206	1,701,391
1,620,930	81,047	1,701,977
\$ 97,068,110	\$ 27,328,460	\$ 98,867,353

***TMPA Internal Transmission Debt is projected to be paid for with Transmission Revenue

Fund	Equipment Class	Vehicle count	FY 2015-16 Expenses	
			Maintenance	Fuel
ELECTRIC	GENERATOR	2	\$632	-
	HEAVY DUTY	48	\$366,526	\$95,794
	LARGE OFF ROAD EQUIPMENT	13	\$43,208	\$551
	LIGHT DUTY	73	\$97,292	\$64,937
	SMALL OFF ROAD EQUIPMENT	5	\$2,091	\$0
	TRAILER	26	\$69,869	\$459
	Subtotal	167	\$579,618	\$161,742
GENERAL FUND	GENERATOR	3	\$279	\$19
	HEAVY DUTY	41	\$306,303	\$71,381
	LARGE OFF ROAD EQUIPMENT	13	\$72,770	\$4,110
	LIGHT DUTY	307	\$917,326	\$347,365
	SMALL OFF ROAD EQUIPMENT	35	\$59,968	\$366
	TRAILER	14	\$11,611	\$232
	Subtotal	413	\$1,368,258	\$423,473
INTERNAL SERVICE	HEAVY DUTY	4	\$14,947	\$2,823
	LARGE OFF ROAD EQUIPMENT	1	\$2,260	-
	LIGHT DUTY	25	\$24,145	\$15,563
	SMALL OFF ROAD EQUIPMENT	5	\$12,769	\$545
	Subtotal	35	\$54,121	\$18,932
SOLID WASTE	GENERATOR	1	\$1,495	\$2,758
	HEAVY DUTY	91	\$1,718,345	\$280,060
	LARGE OFF ROAD EQUIPMENT	24	\$668,172	\$154,375
	LIGHT DUTY	30	\$61,088	\$15,652
	SMALL OFF ROAD EQUIPMENT	20	\$84,518	\$15,106
	TRAILER	2	\$587	-
	Subtotal	168	\$2,534,205	\$467,951
STREETS	HEAVY DUTY	19	\$1,056	\$1,087
	LARGE OFF ROAD EQUIPMENT	21	\$256,932	\$112,892
	LIGHT DUTY	8	\$266,557	\$33,768
	SMALL OFF ROAD EQUIPMENT	12	\$38,017	\$24,303
	TRAILER	6	\$37,208	\$120
	Subtotal	66	\$599,770	\$172,171
WASTE WATER	GENERATOR	2	\$23,573	\$1,088
	HEAVY DUTY	40	\$1,935	-
	LARGE OFF ROAD EQUIPMENT	33	\$109,729	\$31,931
	LIGHT DUTY	32	\$51,356	\$5,621
	SMALL OFF ROAD EQUIPMENT	16	\$26,462	\$28,294
	TRAILER	12	\$21,172	\$88
	Subtotal	135	\$234,226	\$67,022
WATER	GENERATOR	2	\$17,592	\$91
	HEAVY DUTY	23	\$66,417	\$22,700
	LARGE OFF ROAD EQUIPMENT	12	\$158,899	\$4,838
	LIGHT DUTY	27	\$24,299	\$5,675
	SMALL OFF ROAD EQUIPMENT	13	\$8,985	\$235
	TRAILER	6	\$9,101	\$55
	Subtotal	83	\$285,293	\$33,594
Grand Total		1067	\$5,655,491	\$1,344,885

Council Response: Keep Denton Beautiful Budget Information

Keep Denton Beautiful (KDB) operates under a unique public-nonprofit partnership agreement between KDB, Inc. (a 501(c)(3) nonprofit) and the City of Denton. The contractual service agreement between KDB and the City was established in 2000, and provides for both in-kind and direct expenditures of funds to support KDB and its programs. To this end, KDB maintains a City division with a basic operating budget under the Solid Waste & Recycling Department, as well as a nonprofit arm with a separate program budget.

KDB's nonprofit budget supports the organization's community programs, and is funded through revenue from grants, sponsorships, individual contributions, and an annual membership program. The budget is set and implemented by KDB's Board of Directors. While the nonprofit budget has reflected a net loss over the last two fiscal years, a separate bank account held by KDB, Inc. has been sufficient to cover these losses. For fiscal year 2017, KDB's "Corporate and City Sponsorships" income category includes the following City of Denton sources of support:

- City of Denton annual \$10,000 service payment to KDB (per KDB-City contract)
- \$11,500 annual sponsorship from DME
- \$9,500 annual sponsorship from Watershed Protection

Additionally, KDB, Inc. manages special project funds for the Council-approved 3-year Denton Tree Initiative Campaign (fiscal years 2016, 2017, and 2018). Funds are disbursed to KDB annually from the City's Tree Fund. The approved 3-year budget with current expenditures can be found in the attached Denton Tree Initiative Budget Summary.

KDB's City budget houses limited expense categories for operating-related costs such as personal services, office supplies, technology, and building expenses. The KDB City budget is supported entirely through the Solid Waste fund. For 2016-17 this budget totaled \$382,824, of which 71% was dedicated to personal services costs for three full time staff positions and one part-time, seasonal intern position. Monthly lease payments for the KDB office space comprised an additional 12% of the budget for 2016-17. The remaining 17% included supply costs and internal operations transfers. Staff positions include a Program Manager (1.0 FTE) who oversees all staff, resource allocation, and strategy for both the nonprofit and City arms of KDB to ensure the effectiveness and success of the organization and its programs. KDB's other two full-time positions – a Program & Volunteer Coordinator (1.0 FTE), and Event & Outreach Coordinator (1.0 FTE) – are responsible for direct coordination of KDB's programs and special events, volunteer management, and community engagement/outreach. The KDB Program Intern position (0.5 FTE) supports KDB staff during the disproportionately busy fall and spring program seasons; in turn, the internship opportunity provides students and young professionals with direct experience in the nonprofit and government sectors.

Attachments:

- City of Denton Budget Summary for Keep Denton Beautiful
- Nonprofit Budget Summary for Keep Denton Beautiful*
- Denton Tree Initiative Budget Summary

**Note that 2016 nonprofit actuals reflect short year totals, due to the organization's transition in Sept. 2016 from a calendar year to Oct. 1 fiscal year start.*

Keep Denton Beautiful

City of Denton Budget Summary

	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2016-17 Estimate	FY 2017-18 Proposed
Expenses				
Personal Services	245,662	273,392	273,392	300,332
Materials & Supplies	22,455	17,500	16,450	11,450
Maintenance & Repairs	882	275	275	275
Insurance	2,806	2,878	2,878	2,903
Miscellaneous	480	600	600	600
Operations	9,720	12,550	11,918	21,755
Rent	40,194	46,800	46,800	46,800
<u>Operational Transfers</u>	<u>29,829</u>	<u>30,511</u>	<u>30,511</u>	<u>50,868</u>
Total Expenses	\$352,028	\$384,506	\$382,824	\$434,983

501(c)(3) Budget Summary

INCOME	FY 2015	FY 2016	FY 2017	FY 2017
	Actuals	Short-Year Actuals	Budget	YE Estimate
Corporate and City Sponsorships	\$ 36,950.00	\$ 20,750.00	\$ 46,500.00	\$ 39,050.00
Membership Dues	\$ 5,430.00	\$ 4,070.00	\$ 6,500.00	\$ 3,385.00
Individual Contributions and Campaigns	\$ 8,830.39	\$ 1,032.50	\$ 17,200.00	\$ 6,787.14
Third Party Donation Programs	\$ -	\$ 3,646.88	\$ 3,800.00	\$ 5,966.78
Grant & Foundation Income	\$ 10,500.00	\$ 8,600.00	\$ 10,500.00	\$ 9,000.00
Special Event/Special Projects Income	\$ 5,029.00	\$ 4,689.00	\$ 7,000.00	\$ 5,551.00
Merchandise Sales	\$ 1,115.00	\$ 491.00	\$ 1,000.00	\$ 779.00
Interest Earned	\$ 1.12	\$ 0.88	\$ 1.00	\$ 0.65
TOTAL INCOME	\$ 67,855.51	\$ 43,280.26	\$ 92,501.00	\$ 70,519.57
EXPENSES	FY 2015	FY 2016	FY 2017	FY 2017
	Actuals	Short-Year Actuals	Budget	YE Estimate
ADMINISTRATIVE EXPENSES				
Management Expenses	\$ 11,763.53	\$ 10,244.32	\$ 14,325.00	\$ 10,766.41
Volunteer Management	\$ 5,324.18	\$ 371.14	\$ 5,450.00	\$ 4,881.12
Community Outreach	\$ 6,360.87	\$ 5,991.14	\$ 11,250.00	\$ 8,992.89
Fundraising	\$ 4,089.43	\$ 1,621.02	\$ 4,000.00	\$ 1,718.26
ADMINISTRATIVE EXPENSES TOTAL	\$ 27,538.01	\$ 18,227.62	\$ 35,025.00	\$ 26,358.68
PROGRAM EXPENSES				
Litter Prevention/Reduction	\$ 11,478.79	\$ 10,541.46	\$ 11,200.00	\$ 10,141.44
Beautification Programs	\$ 15,579.22	\$ 9,903.37	\$ 29,700.00	\$ 14,216.39
Urban Forestry	\$ 13,512.61	\$ 2,041.25	\$ 13,500.00	\$ 10,146.72
Youth Programs/Education	\$ 4,314.63	\$ 4,761.99	\$ 5,000.00	\$ 5,178.42
Waste Reduction	\$ 153.00	\$ -	\$ -	\$ -
PROGRAM EXPENSES TOTAL	\$ 45,038.25	\$ 27,248.07	\$ 59,400.00	\$ 39,682.97
TOTAL EXPENSES	\$ 72,576.26	\$ 45,475.69	\$ 94,425.00	\$ 66,041.65
NET INCOME	\$ (4,720.75)	\$ (2,195.43)	\$ (1,924.00)	\$ 4,477.92

Denton Tree Initiative Budget Summary

Item	Program	Year 1 – FY 2016		Year 2 - FY 2017		Year 3 - FY 2018
		Budget	Actuals	Budget	YE Estimate	Proposed
3-gallon trees	Free Tree Class at the Redbud Festival	\$1,000	\$0	\$1,500	\$1,500	\$1,500
3-inch caliper trees	Arbor Day Campus Plantings	\$3,975	\$7,250	\$4,375	\$8,700	\$4,375
3-inch caliper trees	Trees Mean Business	\$19,575	\$17,400	\$32,325	\$5,800	\$32,325
3-gallon trees	Tree Your Block	\$0	\$0	\$3,000	\$2,747	\$5,000
Watering bags		\$2,400	\$599	\$0	\$0	\$0
Training Materials	Citizen Forester Training Class	\$1,000	\$2,153	\$1,000	\$1,582	\$1,000
Promotional Costs	All	\$2,000	\$2,025	\$3,000	\$2,803	\$4,000
15% Contingency Allowance	All	\$24,172	\$21,126	\$37,710	\$24,347	\$47,070
TOTAL		\$54,122	\$50,553.01	\$82,910	\$47,479.36	\$95,270

Sec. 26-3. - Service deposits and alternatives.

Employees of the utilities customer service department will determine the appropriate service deposit requirement based on the customer's credit rating with the city utility system or by a reliable external credit source available to the city.

- (a) *Residential customers.* If a customer receiving residential service is required to make a deposit, the deposit may be as much as an amount equal to one-sixth (1/6) of the last twelve (12) months billing at the service location or a similar location as determined by the utility representative.
- (b) *Residential exemption from deposit.* No service deposit will be required of an applicant for residential utility service if the applicant can provide and qualify for one (1) of the following:
 - (1) The applicant has an acceptable credit rating for twelve (12) consecutive months within the last two (2) years with the city utility system.
 - (2) The customer receives an acceptable credit rating from a credit source available to the city. The customer must pay the cost of obtaining the credit rating. This cost will be set annually within the utility rate ordinance, but will not exceed one hundred dollars (\$100.00).
 - (3) Customers with little credit history or a fair credit rating may be allowed to provide one of the following alternatives in lieu of deposit:
 - a. A signed letter of good standing for utility services from a former utility company for verification within twenty (20) days of applying for service; or
 - b. The applicant provides a cosigner who accepts responsibility and is verified to have an acceptable credit rating with the city utility system, and who is willing to be listed on the applicant's account to guarantee payment of the applicant's utility bills. This guarantee will be in effect until the applicant develops an acceptable credit rating and the cosigner requests removal from the account.

For purposes of this chapter, "acceptable credit rating" shall mean a credit rating which is based upon a commonly used formula or a formula approved by the city council.

- (c) *Commercial customers.* In the case of commercial or industrial service, if the applicant for service is required to make a deposit, the amount of the deposit shall be an amount up to one-sixth of the last twelve (12) months of billing at the location where service is requested. If no previous history is available for the location, a representative facility similar to the type where service is requested will be used to establish the amount of the deposit.
- (d) *Commercial exemption from deposit.* An applicant for utility service for a commercial or industrial entity or business may not be required to make a deposit if the applicant:
 - (1) Provides the city an acceptable commercial/industrial credit rating for the last twenty-four (24) months the customer received service from the city utility system; or
 - (2) The customer receives an acceptable credit rating from a credit source available to the city. The customer must pay the cost of obtaining the credit rating.
This cost will be set annually within the utility rate ordinance, but will not exceed one hundred dollars (\$100.00).
 - (3) If the credit of a commercial/industrial customer for service has not been established satisfactorily to the city, the applicant may provide an irrevocable letter of credit in lieu of a deposit within twenty (20) days of signing for service. The irrevocable letter of credit must be executed by a Texas bank and must be approved by the city manager and city attorney. The customer must maintain the irrevocable letter of credit in effect at all times. If the customer allows the irrevocable letter of credit to expire, the customer shall pay a deposit in the amount provided as listed above, or the city may terminate utility service.

(Code 1966, § 25-4; Ord. No. 94-132, § I, 7-19-94; Ord. No. 2001-200, § 1, 5-15-01; Ord. No. 2002-316, § 1, 9-17-02; Ord. No. 2009-222, § 1, 9-22-09; Ord. No. 2010-292, § 2(Exh. A), 11-16-10)

Sec. 26-4. - Additional deposit required.

- (a) *Additional deposits.* The city may require a customer to make an additional deposit in the event that a deposit made as specified in subsection (a), (b), (c), or (d) is subsequently determined to no longer be sufficient. The city may disconnect service if the customer does not remit the additional deposit within fourteen (14) days of the city's request, provided a written disconnect notice has been issued. Such disconnect notice may be issued concurrently with the written request for the additional deposit.

A customer may be required to pay a deposit or put down an additional deposit amount if:

- (1) The customer has been terminated from the receipt of utility service due to nonpayment of a utility bill; or
 - (2) The city has determined there is evidence of a customer tampering with the city's meter; or
 - (3) The customer has an unacceptable credit rating and the city does not have in its files a current cosigner who meets the requirements of section 26-3(a) or (b); or
 - (4) The customer has been required to pay or is paying off a utility account balance previously deemed uncollectible or is past due; or
 - (5) The customer's irrevocable letter of credit filed with the city in lieu of a deposit has expired.
- (b) *Interest.* The city shall pay interest on deposits at an annual rate established by city council. If a refund of the deposit is made within thirty (30) days of receipt of the deposit, no interest will be paid. If the deposit is retained more than thirty (30) days, payment of interest shall be retroactive to the date the entire amount of deposit has been made. The deposit shall cease to draw interest on the date it is returned or credited to the customer's account. Payment of the interest to the customer shall be made at the time the deposit is returned or credited to the customer's account. If the customer's account is active, the deposit will automatically be applied to the customer's account to offset current billing.
- (c) *Credit checks.* After making application for service, the customer service department may at any time pursue a credit reference check. If the credit check shows the customer does not have an acceptable credit rating, the customer will be required to place a deposit on the account. Failure to do so will result in the discontinuance of service with no less than two (2) days of notification given verbally or in writing, to the prospective customer by the customer service department.

(Ord. No. 94-132, § I, 7-19-94; Ord. No. 2001-200, § 1, 5-15-01; Ord. No. 2002-316, § 1, 9-17-02; Ord. No. 2010-292, § 2(Exh. A), 11-16-10)

Sec. 26-5. - Refunds of deposits.

The city shall refund deposits to applicants and customers if one of the following events occurs:

- (1) The customer's service has been disconnected. The city shall refund the deposit plus accrued interest less any outstanding balances. A transfer of service from one service location to another shall not be deemed a disconnection and the city shall not require an additional deposit unless authorized by section 26-3 or section 26-4 hereof.
- (2) When the customer has paid bills and avoided delinquent status for service for twelve (12) consecutive residential billings without having service disconnected for nonpayment of bills, or meter tampering, and provided the customer is not delinquent in the payment of the current bill. The city shall then, in that event, refund the deposit (plus accrued interest) to the customer in the form of a credit to the customer's account.

(Ord. No. 94-132, § I, 7-19-94; Ord. No. 2001-200, § 1, 5-15-01; Ord. No. 2002-316, § 1, 9-17-02; Ord. No. 2010-292, § 2(Exh. A), 11-16-10)

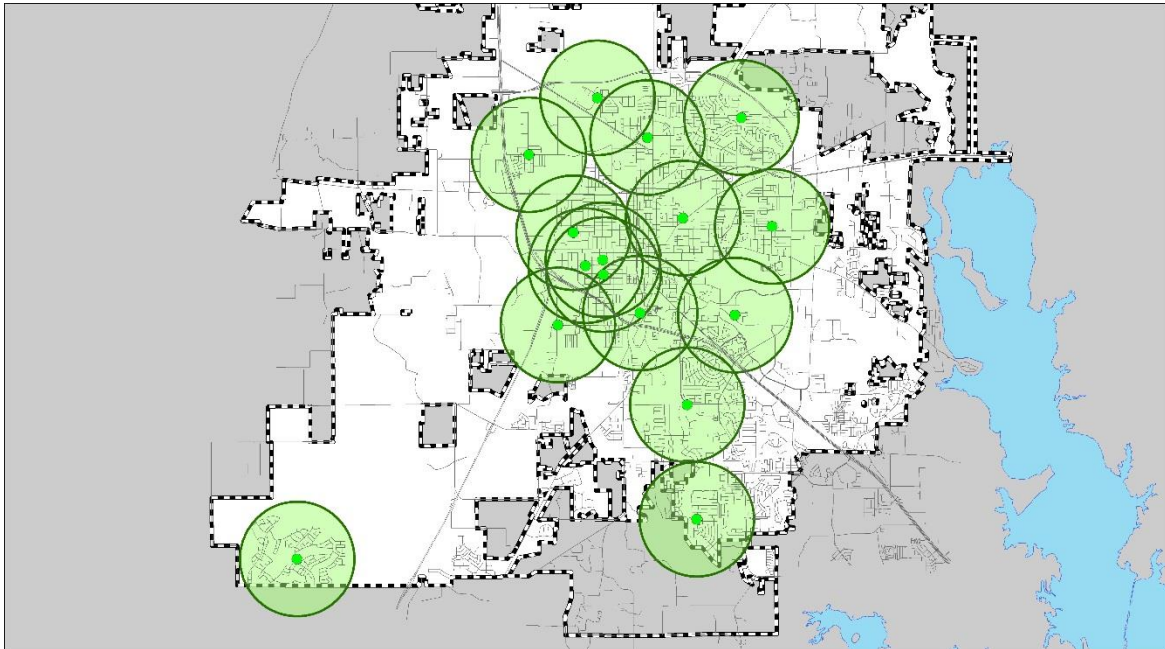
Sec. 26-6. - Other fees.

- (a) *Installation charge.* A first service connection charge in an amount established by the city council and on file in the office of the city secretary will be charged to customers requesting electric service, where no permanent service previously existed and where a new account number is established.
- (b) *Connection charge.* A connection charge in an amount established by the city council and on file in the office of the city secretary will be charged to customers requesting water and/or electric service.
- (c) *Delinquent service charge, reconnect charge, and deposit.* If water and/or electric utility service is processed for nonpayment, then the customer will be required to pay a delinquent service charge or reconnect charge in an amount established by the city council and on file in the office of the city secretary and establish and maintain a deposit sum up to one-sixth ($1/6$) of the last twelve (12) months' billings on billing at the location where service is requested. If a twelve (12) month history is not available, an estimated usage will be used to determine the deposit amount.
- (d) *Unauthorized usage penalty.* If a customer fails to request a water and/or electric connection within twenty-four (24) hours of occupancy in a new service location, then the customer will be required to pay an unauthorized usage penalty in an amount established by the city council and on file in the office of the city secretary.
- (e) *Meter reading charge.* If a customer requests a reading of a city meter due to a contested billing more than two (2) times in the previous twelve (12) months and if no error is found, the customer will be charged a meter reading charge. The meter reading charge will be in an amount established by the city council and on file in the office of the city secretary.
- (f) *Meter testing charge.* If a utility customer requests the testing of a city meter that was previously tested within the past four (4) years and the meter is found to be within accuracy standards, the customer will be charged a meter testing charge. The meter is defined as within accuracy standards when found to be plus or minus two (2) percent or less. This meter testing charge will be established by the city council and on file in the office of the city secretary.
- (g) *Meter tampering and/or damage charge.* A meter tampering charge will be required of any person that tampers with, damages, or illegally connects to any city electric, or water, or wastewater system. The meter tampering charge will be established by the city council and on file in the office of the city secretary.
- (h) *Meter inaccessibility charge.* A meter inaccessibility charge will be required of any customer that prevents the regular and routine reading or repair, maintenance or replacement of any city electric or water meter. The meter inaccessibility charge will be established by the city council and on file in the office of the city secretary.
- (i) *Returned payment charge.* If a customer has a check, money order, or bank draft that has been dishonored by the maker's bank and returned to the city as unpaid, the customer will be required to pay a returned payment charge in an amount established by the city council and on file in the office of the city secretary.
- (j) *Late payment charge due on delinquent balances.* A late payment charge in the amount of \$20.00 will be assessed on past due balances on the fifth business day following the due date.
- (k) *Interest charge on past due account balances.* Interest shall be assessed on any past due account balance (excluding late payment charges) that remains unpaid prior to the current month's billing calculation. Interest shall be assessed based on the customer's monthly billing schedule and the due date of the customer's past due bill. The interest charge shall be due and payable on the due date of the current month's billing. The interest charge will be established by the city council and on file in the office of the city secretary.

- (1) *Application fee.* An application fee may be charged if the customer cannot provide a satisfactory credit rating through previous service history with Denton Municipal Utilities. The application fee will be established by the city council and will be on file in the office of the city secretary.

(Ord. No. 94-132, § I, 7-19-94; Ord. No. 2001-200, § 1, 5-15-01; Ord. No. 2002-316, § 1, 9-17-02; Ord. No. 2010-292, § 2(Exh. A), 11-16-10)

Current Coverage from Early Warning Sirens.



Propose coverage adding additional sirens in phases.

