BTU BRYAN TEXAS UTILITIES

REGULAR BOARD OF DIRECTORS *Meeting Notes*

May 11, 2020

Presentation of BTU Annual Performance Report

Mr. Will Smith, Assistant Finance Director, presented the annual performance report that summarized BTU's fiscal activities in Fiscal Year 2019.

Approval of a Five Year Capital Improvement Plan for Non-Competitive Budgets

The Capital Improvement Plans (CIP) were presented for all divisions of BTU. The City System CIP budget increased from the last fiscal year budget, while the Rural System CIP budget decreased. The increase in the City is due to additional overhead to underground conversions along South College and Texas Avenue, respectively. The Rural System decrease is due to shifting substation work at Thompson Creek Substation to Fiscal Year 2025.

General Manager's Report – COVID-19 Update

Gary Miller, BTU General Manager, gave an update regarding operations during the COVID-19 pandemic. BTU had a pandemic plan in place prior to the COVID-19 pandemic beginning which provided a base for each department to establish new procedures and continue to serve the community. Actions taken by various departments included allowing those who were able to work from home and providing personal protective equipment and accommodations for social distancing for those unable to work from home. All employees were back to their normal routine by May 11 after a phased return to the office.

Lake Bryan was closed to the public at the end of March and remained closed through April due to the Brazos County shelter-in-place order. The park reopened May 1, 2020 adhering to guidelines provided for Texas State Parks.

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Hours of Operation
Monday - Friday, 8 a.m. - 5 p.m.

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IMPORTANT NUMBERS
Billing/Collections/Connects
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Electrical Outage/Lines Down
(979) 822-3777
Distribution/Line Design
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GARY MILLER

General Manager, *Bryan Texas Utilities (BTU)*

Appointed to the

Board of Directors for the American Public Power Association

Gary Miller, Bryan Texas Utilities (BTU) General Manager, has been appointed to serve on the Board of Directors for the American Public Power Association (APPA), representing Region 4, including Arkansas, Louisiana, Oklahoma, and Texas. The APPA serves as the voice of more than 2,000 municipally owned utilities nationwide. APPA board members and staff strive to educate and support legislators regarding federal energy policies and governance.

Municipally owned utilities serve one in seven Americans, more than 49 million in total, in 49 states and United States' territories such as American Samoa, Guam, and Puerto Rico. Publicly owned energy providers allow customers to enjoy many unique benefits including local control of the utility, community investment, affordability, reliability, and environmental responsibility. Utilities that are municipally owned offer voters an opportunity to influence decisions, as the citizens elect city councils and mayors who can have a direct impact on utility operations including the rates that are charged, the sources of power generation, and infrastructure improvement. Public power entities often support charitable and educational organizations that invest in various aspects of the community including low-income support, youth leadership and education, and more. Public Power entities nationwide employ more than 93,000 workers.

As a member of the APPA Board of Directors, Mr. Miller will help shape the vision and future of public power. Since 1940, APPA has advocated for the rights of the people to choose not-for-profit public power in their communities and has backed hundreds of communities in preserving local, public ownership of their electric utilities. The APPA Board of Directors serve to support the public power industry in invaluable ways, including fostering collaboration among public power entities, advocating for public power interests, coordinating disaster recovery plans, and providing communication strategies between utilities and their customers.

APPA Board members offer years of industry experience in various areas of specification and diverse regions of the country. This insight provides a stepping-stone to foster networking and collaboration amongst key policymakers in Washington and utility staff. The APPA represents the interests of public power entities in Congress, the White House, federal administrative agencies and regulatory bodies, and the court system - making the public power voice, and thus the voice of their communities, heard on a national stage.

Board members help organize, support, and attend gatherings and meetings that provide a base for public utilities of all sizes to work together to innovate the latest trends, best practices, and new technologies in the energy sector. The APPA also offers educational resources and programs to aid utilities in developing a robust and lasting workforce. Resources vary from conferences and meetings to webinars and custom trainings on a wide variety of topics. Engineering and accounting professionals might attend a class on best utility practices, while communication personnel may be equipped with a toolkit to better reach their customer base. This brainstorming empowers public utilities to focus on solutions to common issues and challenges. APPA's Demonstration of Energy and Efficiency Developments (DEED) Program incentivizes utilities to invest in research and development. The association also manages a mutual aid program amongst public utilities to help facilitate restoration work following large storms and natural disasters.

The APPA's tagline, "Powering Strong Communities," speaks to what public power utilities do, but it also speaks to what the Association and its Board of Directors do. With his education in electrical engineering and his more than 35 years of experience in the electric energy sector, Gary Miller is well suited to represent BTU and Region 4 on the APPA Board of Directors. Mr. Miller currently serves as Co-Chairman of the Texas Public Power Association (TPPA) Engineering and Operating Committee, and is a member of the Texas Municipal Power Agency (TMPA) Planning and Operating Committee. He has previously served on various Electric Reliability Council of Texas (ERCOT) committees and spoken at numerous industry conferences and events throughout his career. "I am honored to be chosen to serve on the APPA Board of Directors. This organization is fundamental to advocating for and supporting municipally owned utilities nationwide that are a vital part of their communities," Mr. Miller said.

AMERICAN PUBLIC POWER ASSOCIATION

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BTU
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Call for Conservation: *Saving Energy Can Be Cool*

In the Brazos Valley, summer temperatures can soar – and so can your energy usage. Air conditioning use in the summertime increases dramatically, so using your air conditioner efficiently can have a big impact on your energy bill. We've put together some information that will help you keep your home cool while saving energy.

An air conditioner provides three main components of comfort for your interior living spaces: temperature, humidity control, and air movement. Setting your thermostat to 78 degrees during the summer may sound hot to some people, but maintaining a room's relative humidity between 30 and 50 percent can make it feel 1 to 3 degrees cooler. Add a ceiling fan that increases air movement throughout the room, and the temperature will feel about 4 degrees cooler.

Programmable thermostats can be relatively inexpensive (some highly rated models cost less than $50) and can easily pay for themselves in energy savings after only a few months. For optimal energy efficiency and comfort, program your thermostat to increase your normal temperature setting by 7 to 10 degrees when no one is home, then program it to return to your normal thermostat setting about an hour before you return home. Also, check your air conditioner filters monthly to see if they need to be replaced. Low cost fiberglass filters may need to be changed every month, but pleated MERV filters are more efficient and can go 90 days or more between replacements, depending on conditions inside your home. Homes with children and pets may need to replace the MERV filters every 60 or even 30 days.

An air conditioning unit removes humidity by collecting condensation that is created when warm air is cooled quickly. Adjusting your fan speed plays a big role in your unit's ability to remove humidity. In this case, faster is not always better. If you turn the air conditioner's fan speed to high, air flows more quickly through the cooling coils. The coils can't cool such a large volume of air quickly enough to properly de-humidify the air coming from the vent. Setting the unit's fan speed to medium or low will allow the cooling coils to get colder, which in turn increases the amount of moisture pulled from the air through condensation. This will allow the room to feel comfortable more quickly.

Ceiling fans are a great way to increase air flow in a room. Ceiling fans make people feel cooler because of air movement, but they do not change the temperature of the room. According to the appliance calculator at Energy.gov, a ceiling fan that is left on 24 hours a day will cost an average of $36.80 per year for electricity. If that same fan is only on when people are in the room – say 4 hours per day – the cost to run the fan drops to $6.13. That is a $30 annual savings on just one fan!

When it comes to ceiling fans, bigger and slower is better. Fans with the longest blades are more efficient than those with short blades, as a short blade must rotate several more times to equal the air flow of a single rotation of a long blade. Also, running the fan on medium provides more cubic feet of airflow per watt than running the fan on high, and running the fan on low provides the most airflow per watt. To maximize the efficiency of your ceiling fans, get the largest fan that can fit into a room (using the proper clearances) and run it on the lowest speed possible. Make sure your ceiling fan is turning counter-clockwise during the summer to create a cooling downdraft. The reverse is true in the winter. Switch your fans to spin clockwise in the winter to help circulate warmer air.

Here are some common myths about indoor cooling:

Myth: *It's more efficient to leave the air conditioner on a constant temperature all day than to raise and lower the temperature.*

Fact: Air conditioning units run optimally at full speed. It is more efficient for your unit to run for a longer time to cool down a warm house than it is for the unit to cycle on and off all day to cool an empty house. An additional benefit is that the longer run time allows the unit to remove more humidity from the air, adding to the comfort level of your home.

Myth: *Ceiling fans make a room cooler.*

Fact: Ceiling fans don't make the temperature of a room cooler, they make people feel cooler through air flow by using a "wind-chill" effect. Leaving a ceiling fan on in an empty room is a waste of energy. In fact, the heat from motor actually adds a minimal amount of warmth to the room.

Myth: *An air conditioner will cool faster if you turn the thermostat down much lower than normal.*

Fact: The air conditioning unit does not operate differently whether it is adjusted by 3 degrees or 30 degrees. An air conditioner is designed draw in air from your home, cool it 15 to 20 degrees, and then blow it back into your home. The thermostat setting doesn't change how the air conditioner works, it simply tells the unit when to turn on and shut off.

Here is a common question: "When it's very hot outside, around 100 degrees, my air conditioner does not work well. Do I need to consider buying a new unit?"

Answer: Not necessarily. As previously mentioned, air conditioning units only have the ability to cool air about 15 to 20 degrees. When the outside temperatures reach the century mark, it can also drive up the inside temperatures because of outer doors that are opened often, heat from direct sunlight on windows (solar heat gain), and insufficient wall and attic insulation. Hotter outside temperatures also mean the compressor in the outside portion of the unit works harder to transfer heat into an environment that is already hot. Trees or bushes that provide shade to the outside unit can help it work more efficiently in extreme heat, and minimizing the opening of outside doors, closing blinds, and shading windows where direct sunlight shines will help keep the inside temperature at a comfortable level.

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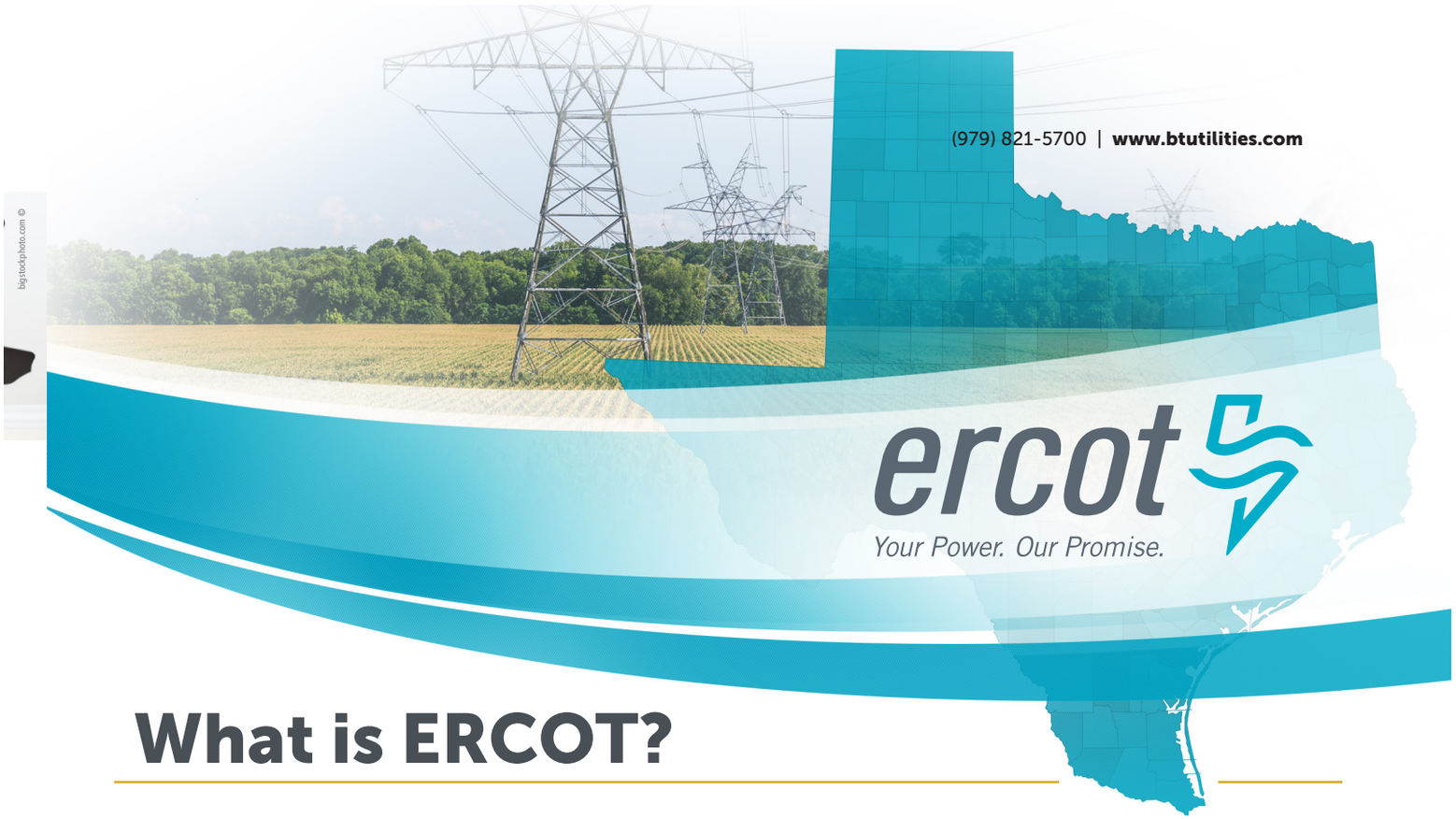

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What is ERCOT?

In the continental United States, there are three electric grids. The Western Interconnection is the electric grid for 11 states in the western part of the country, the Eastern Interconnection is the grid for 35 states from the East Coast to the Midwest, and the Texas Interconnection, which covers most of Texas. The Electric Reliability Council of Texas (ERCOT) manages the flow of electricity on the Texas grid.

ERCOT is a nonprofit organization responsible for maintaining the reliable flow of electricity for more than 26 million customers in the state of Texas. It does this by matching the supply of electricity with consumers' demand 24 hours per day, 365 days per year. ERCOT is an independent system operator and does not own any power generation plants or transmission lines. What it does is forecast demand, accept input from market participants to determine when and how much energy is planned to be available on the electric grid, and ensure there will be sufficient generation capacity to serve the load. Additionally, ERCOT monitors the status of over 46,500 miles of transmission lines and over 650 electric generation units.

In a way, ERCOT is similar to an air traffic controller in that it monitors the overall electric system to make sure it is running efficiently and effectively. ERCOT maintains a large, modern Control Room where nine controllers on each shift monitor the transmission grid, monitor the electrical generation that is put into that grid, and monitor the demand to make sure the grid stays reliable. This is a very important role, as energy needs fluctuate based on time and weather, and ERCOT must make sure that enough energy is provided where it is needed and at the correct time of day.

ERCOT also manages financial transactions in the energy market, acting in a way similar to a stock exchange. They collect money from electrical suppliers who purchase power from the grid and pay the wholesale energy producers who supply the grid with electricity. ERCOT's planning group provides forecasts so that buyers and sellers of electricity can submit offers and bids.

For 2020, ERCOT included a planning reserve margin of 10.6 percent. A planning reserve margin is the difference between the total expected generation available on the grid and the forecasted peak demand. On August 12 last year, a peak demand record of 74,820 megawatts (MW) was set. Forecasters estimate this year's peak demand will be 76,696 MW. To put this into perspective, one MW is equal to one million watts of energy, which is the amount of energy used by about 330 homes every hour. In order to meet this peak demand, ERCOT plans to have almost 90,000 MW of available generation on the grid.

Any time the statewide power demand nears equaling the available energy being generated, ERCOT will issue Energy Emergency Alerts (EEAs). There are three levels of EEAs, ranging from EEA Level 1, which calls for public awareness for conservation, to EEA Level 3 at the highest level. At Level 1, the ERCOT grid operating reserves drop below 2,300 MW and are not expected to recover within 30 minutes. At this point, grid operators call on all available power supplies, including power from other grids if available.

At EEA Level 2, operating reserves have fallen to less than 1,750 MW and are not expected to recover within 30 minutes. At this point, ERCOT will reduce demand on the system by interrupting power to large industrial customers who have contractually agreed to cut their usage during an energy emergency. If operating reserves drop below 1,375 MW, a Level 3 alert is issued. If the operating reserves continue to decline below 1,000 MW and are not expected to recover within 30 minutes, ERCOT will order rotating outages to be implemented until the operating reserve recovers to a safe level.

In the rare occasions when operating reserves approach the need to implement EEAs, ERCOT takes immediate action to reduce electrical demand by enacting pre-planned steps to hopefully negate the need to move to EEA Level 3. ERCOT has issued the highest Level 3 alert only three times in history: Dec. 22, 1989, April 17, 2006, and February 2, 2011.

For more information on ERCOT and to view real-time grid demand and system conditions, go to their website at www.ercot.com. Consumers with smart phones can download the free ERCOT app to get real-time updates on the ERCOT grid and see tips on how to conserve electricity during peak times.

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BTU Awarded Reliable Public Power Provider Diamond Designation

RP3 RELIABLE PUBLIC POWER PROVIDER
American Public Power Association

Bryan Texas Utilities (BTU) has been awarded the Reliable Public Power Provider (RP3)® Diamond designation by the American Public Power Association (APPA) for a third consecutive three-year term. BTU received a score of 100 percent on the evaluated criteria. BTU was first awarded the APPA RP3® Diamond designation in 2014. This prestigious award recognizes industry-leading public utilities who provide reliable and safe electric service to their customers. Criteria for consideration also includes workforce development and a utility-wide commitment to system improvement.

The reliability metric certifies that not only can customers expect steady and reliable power, but also that the utility invests in various measures to ensure that reliability. This includes collecting and analyzing outage data, having a mutual aid agreement with other utilities to restore power in the case of natural disaster or extreme weather event, creating and utilizing a disaster management or emergency response plan, and implementing high-level cyber and physical security measures.

A strong safety culture is very important to BTU and is a highlighted metric for the RP3® award. Standards measured for the RP3® award include having an accepted safety manual that is used throughout the utility and implementing rigorous safety training in all departments from power generation to line and office work. Utilities must also record and benchmark safety data.

The workforce development piece of the RP3® application prompts utilities to explain how staff is trained and how networking with other public power entities is encouraged. This training and networking helps to grow a knowledgeable and experienced staff. BTU employees are trained at workshops, conferences, and through in-house training focusing on a variety of industry topics. Employees also participate in local, state, and federal industry associations and planning committees.

The final category is system improvement. This encompasses long-term planning for distribution system design and improvements as well as financial planning and assessments. This category measures and encourages research and development programs to produce procedures and utility guidelines for future sound business practices.

“We are honored to be recognized once again at the highest level, Diamond designation, of the Reliable Public Power Provider award,” said Gary Miller, General Manager of BTU. “The Board of Directors and the staff of BTU consider reliability and safety to be of the utmost importance to our organization as we serve the community. To have our efforts acknowledged by the RP3® review panel is very rewarding to all of us at BTU.”

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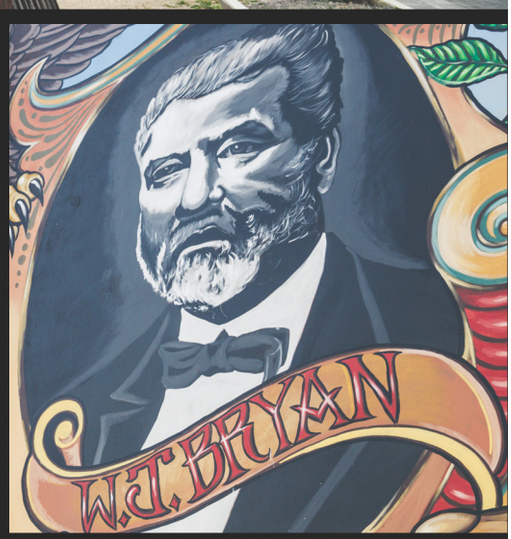
MIDTOWN:
Moving Forward

Rich in history, the arts, education and commerce, Bryan's undeniable potential is showcased with the opportunity for master planned development and redevelopment in the Midtown neighborhood. Through the recently adopted Midtown Area Plan, Midtown is poised to be a premiere landscape for significant sustainable development that can accommodate Bryan's growing demand for quality housing, commercial services, restaurants and entertainment offerings while enhancing the existing neighborhood fabric.

From late 2018 to early 2020, the City of Bryan engaged residents, business owners, property owners and other stakeholders in a strategic process of community outreach, economic research, feedback sessions and problem solving. Through this process, the Midtown Area Plan was created to guide development through investing in the South College Avenue corridor and using an incremental approach to infill development of adjacent streets and properties.



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MIDTOWN AREA PLAN APPROVED

The Bryan City Council approved the Midtown Area Plan on May 12, 2020. The plan calls for coordinated public and private investment at five "catalytic" sites to build upon the success of corridor renovations to College Main Street and South College Avenue. These catalytic project designs are examples to start the conversation of what could be built on each site. The intent is to stitch together the entire length of the corridor and to stimulate and support new development within Midtown.

Midtown is subject to substantial housing demand from students, young professionals and retirees. As this existing demand is bolstered by planned public investments such as the Travis Bryan Midtown Park and the private catalytic projects, the city is working to create a more efficient and accessible development process to streamline the growth in Midtown.

The final plan includes five sections – an executive summary, recommendations for the five experience districts within the overall Midtown area, a market opportunity study, a pattern book and an implementation work plan to accomplish the recommendations in the plan.

PATTERN ZONING

While the plan itself does not adopt any zoning changes at this time, it does detail a novel technique — pattern zoning — that proposes an opt-in expedited permitting program that uses new site design guidelines, licensed architecture and pre-approved plans. It also recommends several changes or amendments to current codes and processes and encourages new rules to allow cottage courtyards on large lots, accessory dwelling units in backyards.

The pattern buildings for Midtown include four building types, all of which are optional and voluntary for use in addition to the existing uses for a property. The plans for these pattern buildings include exterior design variations that can be selected by a Midtown property owner to avoid a "cookie-cutter" redundancy in neighborhoods.

Pattern zoning is both a development incentive and a zoning tool that could bring faster permitting and lower costs to development projects. The pattern zoning program would be entirely voluntary for property owners and developers and is regulated through overlay districts which would add an additional use option to be considered when developing a property.

The pattern buildings were created with several development standards, including variability, required parking, pedestrian facilities, street trees, adequate lot dimensions and setbacks and floodplain/floodway management.

The Midtown Pattern Book, which is included in the Midtown Area Plan, serves as a guide to each of the pattern buildings. While they have not been formally approved yet, pattern zoning would only be allowed in specific areas of Midtown and be required to be developed with specific site conditions.

PATTERN ZONING WINS NATIONAL MERIT AWARD

One of the most unique aspects of the recently adopted Midtown Area Plan is Pattern Zoning. The concept of pattern zoning was given a Merit Award in the Emerging Projects category from the Center for New Urbanism (CNU) as part of the organization's 2020 Charter Awards.

Bryan's pattern zoning was recognized as a novel technique to lower the barriers to executing high-quality, incremental redevelopment projects within Bryan's Midtown area.

The CNU Charter Awards recognize exemplary work in urban design, placemaking and community building on regional, neighborhood and street levels. The awards were officially presented on June 13 at the CNU 28.A Virtual Gathering.

MIDTOWN PATTERN BUILDING TYPES

COTTAGE:

The Midtown Cottage is an adaptable building that offers variability through its modular design. Starting as small as 600 square feet in size, this unit can be stacked to create two units or it can be built over a garage for covered parking. Additionally, the cottage could be used as an accessory dwelling unit located behind a new or existing home.

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OTHER ZONING CHANGES

Now that the Midtown Area Plan has been approved, there are several proposed zoning changes needed to fully implement the recommendations. These zoning changes must first be considered by the Planning & Zoning Commission and City Council, which is expected to occur in late summer or early fall of this year.

The City of Bryan is considering revisions to the South College Avenue zoning districts currently located in Midtown. There are two proposed zoning districts, which are subject to change: The Midtown District and the Midtown High-Density District. The Midtown District is proposed to allow mixed-use developments, slightly taller buildings along main corridors and parking requirements that encourage walkability. The High-Density District would be very similar to the Midtown District, but would potentially allow dense residential growth to be controlled and focused into specific areas that are considered appropriate. Specific site design and development standards are being considered for this District as well, including those relating to structured parking, walkability and hardscaping.

The city is also considering additional ordinances for accessory dwelling units, food truck courts, trees and cottage courts in Midtown to support the goals and recommendations of the Midtown Area Plan.

One thing to remember is that city staff have focused on keeping the Midtown recommendations as voluntary as possible. All aspects of the plan are voluntary or won't be a full requirement until someone develops or redevelops their property. This means that property owners that are currently legally using their property, will be able to continue to do so, even if their zoning changes.

More information about the potential zoning changes and the Midtown Area Plan as a whole is available at **bryantx.gov/midtown** and **bryantx.gov/midtown-zoning,** or by contacting **Project Planner Lindsay Hackett, AICP at lhackett@bryantx.gov.**

FLEX HOUSE:

The Flex House is a simple two-story 1,800-square-foot building that can be converted to a two-unit property with a simple renovation to an interior wall. As a single-family home, it includes three bedrooms and two-and-a-half baths. When divided into two units, the entrance to the second story unit is located to the side, and the entrance to the ground floor unit remains in the front.

APARTMENT HOUSE:

The Apartment House offers three fully independent units that look like a two-story, single-family home with a total of about 2,300 square feet. There are two ground-floor units and an upper-story unit, all accessed by a shared entranceway on the side of the structure. Parking is required and must be located to the side or rear of the building.

MIDTOWN WALK-UP:

The Midtown Walk-Up measures about 2,750 square feet in building footprint. With a decent amount of density set in a small footprint, this building includes options for two or three stories, as well as a residential or commercial option on the first floor. Most of the two-story options can be built without an architect, but the three-story option will require an architect and some additional lot development standards.

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