

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON RATIFYING AND APPROVING A SETTLEMENT AGREEMENT BETWEEN MCCART ST, LLC AND THE CITY OF DENTON, TEXAS CONCERNING PETITIONS FOR STREAMLINED EXPEDITED RELEASE (PUBLIC UTILITY COMMISSION OF TEXAS DOCKET NOS. 58460 AND 58462); DIRECTING THE CITY MANAGER OR DESIGNEE AND THE CITY’S ATTORNEYS TO EFFECTUATE AS NECESSARY AND APPROPRIATE THE TERMS OF THE SETTLEMENT AGREEMENT; AND DECLARING AN EFFECTIVE DATE.

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council hereby ratifies and approves the settlement of litigation styled “Petition of McCart St, LLC to Amend City of Denton's Water And Sewer Certificates Of Convenience and Necessity in Denton County By Streamlined Expedited Release”, Public Utility Commission of Texas Docket Nos. 58460 and 58462, under the terms set forth in the Settlement Agreement in Exhibit “A” attached hereto and incorporated herein for all purposes.

SECTION 2. The City Manager or designee and the City’s Attorneys are hereby authorized to act on the City’s behalf in approving and executing any and all additional documents necessary or appropriate to effectuate the terms of the settlement, and to take any other actions necessary to finalize the settlement.

SECTION 3. This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this Ordinance was made by _____ and seconded by _____. This Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Christopher Mullins

EXHIBIT “A”

Settlement Agreement

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Agreement”) is entered to be effective on the date of the last signatory to this Agreement, (the “Effective Date”) between McCart St, LLC (“McCart”), and the City of Denton, Texas (“Denton”). McCart and Denton collectively are referred to herein as “Parties.”

RECITALS

WHEREAS, McCart filed two petitions to Amend Denton’s Water Certificate of Convenience and Necessity (“CCN”) No. 10195 and Sewer CCN No. 20072 by Streamlined Expedited Release (“Petitions”) with the Public Utility Commission of Texas (“PUC”) (Docket Nos. 58460 and 58462); and

WHEREAS, the procedures for amending a CCN in the manner filed and contemplated by McCart require the PUC to evaluate and, if appropriate, require McCart to pay Denton compensation for the removal of land from Denton’s CCNs; and

WHEREAS, McCart and Denton desire to resolve the compensation issue in Docket Nos. 58460 and 58462 amicably and without the need for litigation or unnecessary administrative processes; and

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the benefits to be received by the Parties, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

I.

MCCART’S OBLIGATIONS/AGREEMENTS

1.01 Within 30 days of the Effective Date, McCart will pay Denton ██████████ to settle claims for compensation in PUC Docket Nos. 58460 and 58462. A check for such amount shall be made payable to the City of Denton and shall be delivered to the following address:

City of Denton
Attn: City Attorney’s Office
215 E. McKinney St.
Denton, TX 76201

1.02 McCart understands and agrees that Denton is under no obligation to provide water or sewer service, directly or indirectly, to the land decertified by PUC Docket Nos. 58460 and 58462, now or at any time in the future.

1.03 McCart will work in good faith with Denton to effectuate the purpose of this Agreement and will execute any documents and file any documents with the PUC needed to effectuate the purpose of this Agreement.

1.04 McCart will take the lead in drafting the documents presumed necessary to file with the PUC to effectuate the purpose of this Agreement, but will confer with Denton’s attorney prior to

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making any joint or agreed filings and will not make any joint or agreed filings without Denton's written concurrence.

1.05 McCart will be responsible for its own attorney fees and expenses associated with this Agreement and all matters related to Docket Nos. 58460 and 58462.

II. DENTON'S OBLIGATIONS/AGREEMENTS

2.01 Denton will consent to the removal of land identified in PUC Docket Nos. 58460 and 58462 from Denton's water and sewer CCNs.

2.02 Except as specified by this Agreement, Denton will not seek compensation for the removal of land identified in PUC Docket Nos. 58460 and 58462 from Denton's water and sewer CCNs.

2.03 Denton will work in good faith with McCart to effectuate the purpose of this Agreement and will execute any documents and file any documents with the PUC needed to effectuate the purpose of this Agreement.

2.04 Although McCart will have the primary responsibility for drafting documents needed for filing with the PUC, Denton will have its attorneys cooperate in the review of such documents and, where appropriate, cooperate in the filing of such documents as agreed or joint filings.

2.05 Denton will be responsible for its own attorney fees associated with this Agreement and all matters related to Docket Nos. 58460 and 58462.

III. SETTLEMENT

3.01 **Settlement of Claims.** The Parties recognize and acknowledge that the funds specified herein are paid to settle claims for compensation of the removal of land identified in PUC Docket Nos. 58460 and 58462 from Denton's water and sewer CCNs only. They are not to be relied upon as setting any precedent for the valuation of decertification. Should docket numbers need to be changed for any reason, the Parties will proceed through any newly-assigned PUC Docket No. to release the land that is currently identified in PUC Docket Nos. 58460 and 58462.

IV. REMEDIES

4.01 **Remedies.** If any Party fails to comply with its obligations under this Agreement or fails to correct any default after a 30-day notice and opportunity to cure, the other Party or Parties may exercise any remedy authorized at law or in equity, including filing suit in a court of competent jurisdiction to seek any available remedy, including by way of example only, injunctive relief, specific performance and/or monetary damages.

4.02 **Equitable Remedies.** It is not intended hereby to specify (and this Agreement will not be considered as specifying) an exclusive remedy for any default, but all remedies existing at law or in equity may be availed of by any party hereto and will be cumulative of the remedies provided herein. Recognizing however, that the failure in the performance of the Parties' obligations

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hereunder could not be adequately compensated in money damages alone, the Parties agree, in the event of any default on its part, that the other parties will have available to them equitable remedies, including specific performance, in addition to any other legal or equitable remedies which may also be available.

V. GENERAL PROVISIONS

5.01 Good Faith. The Parties agree to cooperate with each other and act in good faith in the performance of this Agreement.

5.02 Provision of Further Documents. The Parties will execute and deliver such other and further requested legal documents or instruments as are reasonably necessary to effectuate the purposes and intent of this Agreement.

5.03 Severability. Except as specifically set forth in this Agreement, the provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstances is ever held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances will not be affected thereby and this Agreement will be construed as if such invalid or unconstitutional portion had never been contained herein.

5.04 Entire Agreement. This Agreement, including all Exhibits attached hereto, which are expressly made a part hereof by reference for all purposes, constitutes the entire agreement between the Parties relative to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements, representations, covenants or warranties, whether oral or in writing, respecting the subject matter hereof.

5.05 Amendment. No amendment of this Agreement is effective unless and until it is duly approved by each party and reduced to a writing signed by the Authorized Representatives of all of the Parties.

5.06 Governing Law and Venue. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Texas without regard to conflict of laws and all disputes arising under or relating to this letter agreement shall be brought and resolved solely and exclusively in a state or federal court of competent jurisdiction located in Denton County, Texas.

5.07 Counterparts. This Agreement may be executed in counterparts.

5.08 Representations/Warranties. Each Party represents and warrants that the signatory below who has signed for that Party has the power and authority to enter into this Agreement on its behalf and that each Party has the authority to execute this Agreement.

5.09 Confidentiality. The Parties agree that the settlement amount in Section 1.01 is confidential and will not be disclosed to any individual or entity without the express written consent of the disclosing party, except to the extent that such disclosure may be required by the

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Texas Public Information Act or by Order of a Judicial Officer. The Parties further agree that this Agreement shall be filed confidentially at the Public Utility Commission of Texas in Docket Nos. 58462 and 58460.

Executed in multiple counterparts, each to be considered an original, to be effective upon execution by all Parties:

(Signatures on following page)

Settlement Agreement

MCCART ST, LLC,
A DELAWARE LIMITED LIABILITY COMPANY

By: William J. Savage
Name: William J. Savage
Its Chief Executive Officer

Date signed: 03-17-2026

CITY OF DENTON
A Texas Municipal Corporation

By: Sara Hensley
DocuSigned by:
5238DB298270423...
SARA HENSLEY, CITY MANAGER

Date signed: 3/18/2026

ATTEST:
INGRID REX, CITY SECRETARY

By: Ingrid Rex
Signed by:
F118805422D0464...

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational
obligations and business terms.

By: Stephen D. Gay
Signature
FEB48BB9726E4A0...
General Manager

Title
water utilities and street operations
Department

Date Signed: 3/18/2026

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: Christopher Mullins