

ORDINANCE NO. 25-1545

AN ORDINANCE OF THE CITY OF DENTON BY THREE SEPARATE VOTES, EACH BEING CONDUCTED ON SEPTEMBER 16, 2025, OCTOBER 21, 2025, AND DECEMBER 2, 2025, GRANTING A NONEXCLUSIVE GAS FRANCHISE TO UNIVERSAL NATURAL GAS, LLC, FOR USE OF PUBLIC RIGHTS-OF-WAY IN A DESIGNATED AREA IN THE CITY OF DENTON FOR THE PURPOSE OF CONSTRUCTING, MAINTAINING AND OPERATING A SYSTEM OF PIPELINES AND OTHER FACILITIES FOR THE PROVISION, TRANSPORTATION, DISTRIBUTION AND CONVEYANCE OF GAS TO CUSTOMERS IN SUCH DESIGNATED AREA; AUTHORIZING EXECUTION OF A FRANCHISE AGREEMENT BETWEEN THE CITY OF DENTON AND UNIVERSAL NATURAL GAS, LLC, PROVIDING FOR COMPENSATION TO THE CITY FOR THE USE OF THE PUBLIC RIGHTS-OF-WAYS, PROVIDING TERMS, CONDITIONS AND REQUIREMENTS RELATED TO THE USE OF PUBLIC RIGHTS-OF-WAY IN THE CITY OF DENTON AND TO THE CONSTRUCTION, MAINTENANCE AND OPERATION OF PIPELINES AND OTHER FACILITIES FOR THE PROVISION, DISTRIBUTION AND TRANSPORTATION OF GAS TO CUSTOMERS IN THE DESIGNATED AREA OF THE CITY OF DENTON; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 121 of the Texas Utilities Code authorizes municipalities to adopt ordinances that establish conditions for mapping, inventorying, locating, or relocating pipelines over, under, along, or across a public street or alley or private residential area within the boundaries of the municipality and establish conditions for mapping or taking an inventory in an area in a municipality's extraterritorial jurisdiction; and

WHEREAS, Chapter 121 of the Texas Utilities Code states that except as expressly provided in Chapter 121, subchapter E. of that Chapter does not reduce, limit, or impair a power vested by law in a municipality; and

WHEREAS, the Texas Railroad Commission (Commission) is the state agency with primary regulatory jurisdiction over the oil and natural gas industry, pipeline transporters, natural gas and hazardous liquid pipeline industry, natural gas utilities, the LP-gas industry as well as several other areas; and

WHEREAS, the Commission does not have jurisdiction over, and exercises no regulatory authority with respect to, private or public roads or road use. Permits issued by the Commission for oil and gas exploration, production and waste disposal do not limit any independent authority of a municipality, county, or other state agencies with respect to road use; and

WHEREAS, subject to Gas Utility Regulatory Act (Chapter 33 of the Texas Utilities Code) limitations, a municipality has exclusive original jurisdiction over the rates, operations, and services of a gas utility within the municipality in order to provide fair, just, and reasonable rates and adequate and efficient services; and

WHEREAS, the Texas Transportation Code provides that a home rule city has exclusive control over and under the public highways, streets, and alleys of the City, including the ability to

control, regulate, or remove an encroachment or obstruction on a street, open or change a public street, and make improvements to a public highway, street, or alley of the municipality.

WHEREAS, Article XIII of the Denton City Charter entitled Franchises, provides the City Council may by ordinance grant, renew and extend all franchises of all public utilities operating within the City for a maximum term of 20 years; and

WHEREAS, the Denton City Charter requires an ordinance granting, amending, renewing, or extending a public utility franchise be passed by a majority vote of the entire City Council at three (3) regular meetings of the City Council; and

WHEREAS, a public utility franchise ordinance must be published once each week for three (3) consecutive weeks in the official newspaper at the expense of the franchisee in order to take effect thirty (30) days after its final passage, however, such ordinance shall be subject to referendum as provided in Article IV of the Denton City Charter; and

WHEREAS, the Denton City Charter provides the City Council has the power and duty to determine and regulate the charges, fares or rates of all public utilities operating within the City, require franchise holders to reimburse the City for reasonable expenses related to advising the council on requested rate increases, prescribe reasonable standards of service and quality furnished by each utility, prevent unjust discrimination, require certain actions as may be necessary to provide adequate and efficient service, collect from every public utility operating in the City its fair and just proportion of certain expenses related to the occupation and use of the public rights-of-ways or compel such public utility to perform, at its own expense, its just share of those activities requiring the expenses, and such other prescriptions and regulations provided by the Denton City Charter and that the City of Denton deems desirable or conducive to the safety, welfare and accommodation of the public, or to enforce franchise agreement provisions; and

WHEREAS, the Denton City Charter provides the City of Denton shall have power to prohibit certain uses of the public rights-of-way and that any public utility franchise hereafter granted shall be held subject to all of the terms and conditions contained in the various sections of Article XIII of the Denton City Charter whether or not such terms are specifically mentioned in the franchise agreement; and

WHEREAS, the provisions of the Denton City Charter shall not limit in any way the discretion of the council in imposing such terms and conditions as may be reasonable in connection with any franchise grant; and

WHEREAS, Universal Natural Gas, LLC, a Texas limited liability company, ("Company") wishes to construct a system of pipelines and other facilities for the distribution and provision of gas and to distribute and provide gas to customers in a designated area within the City of Denton, and Company has applied for a franchise from the City in order to carry out those purposes; and

WHEREAS, the Company has agreed to extend services to a City of Denton owned parcel identified by the Denton County Appraisal District as Property ID 64578 and commonly referred to as Southwest Park; and

WHEREAS, The City of Denton ("City") has reviewed Company's request to enter into a franchise agreement and determined that the granting of a franchise on the terms and conditions set forth in the Franchise Agreement attached hereto, will assist in meeting the needs of gas by customers in the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS:

Section 1. The recitals set forth above are found to be true and correct legislative and factual determinations of the City of Denton and are hereby approved and incorporated into the body of this Ordinance and made a part hereof for all purposes as if fully set forth herein.

Section 2. The City hereby grants Company a franchise to construct, install, maintain and repair a system of pipelines and other facilities for the provision, distribution and transportation of gas in, over, under, along and across designated public rights-of-way of the City and to transact business related to the provision of gas through that system of pipelines and facilities, subject to the Franchise Agreement substantially in the form attached hereto as Exhibit I, which is hereby incorporated and made a part of this Ordinance for all purposes.

Section 3. In accordance with and as required by Section 13.06 of the Denton City Charter, the City Secretary shall compile and maintain a public record of all franchises heretofore or hereafter granted by the City of Denton.

Section 4. The meeting at which this ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 5. This ordinance shall be in full force and effect following (i) thirty days after final passage; and (ii) its publication for franchises in accordance with the Denton City Charter.

Section 6. The Franchise Agreement shall be in full force and effect after Company files with the City Secretary its written statement of acceptance of the Franchise Agreement within sixty (60) calendar days after the passage and approval by City in accordance with the terms of the Franchise Agreement, and the Parties execute the Franchise Agreement.

FIRST READING AND VOTE

The motion to approve this ordinance was made by [Jill Jester] and seconded by [Suzi Rumohr].

The ordinance was passed and approved by the following vote [7 - 0 -]:

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

PASSED AND APPROVED this the 16th day of September, 2025.

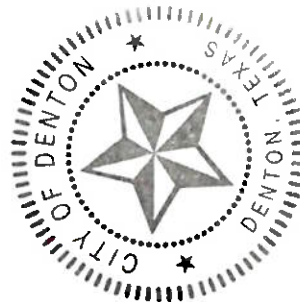

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, INTERIM CITY SECRETARY

BY: Ingrid Rex

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Susan Keller



SECOND READING AND VOTE

The motion to approve this ordinance was made by [Jill Jester] and seconded by [Brian Beck].

The ordinance was passed and approved by the following vote [7 - 0 - 0]:

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

PASSED AND APPROVED this the 21st day of October, 2025.

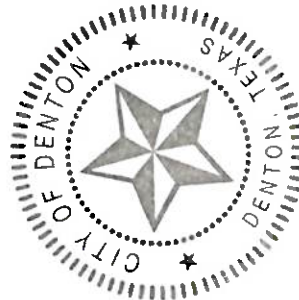

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, INTERIM CITY SECRETARY

BY: Ingrid Rex

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Susan Keller



THIRD READING AND VOTE

The motion to approve this ordinance was made by [] and seconded by [].

The ordinance was passed and approved by the following vote [_ - _ - _]:

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
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 _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Susan Keller