



AGENDA INFORMATION SHEET

DEPARTMENT: Capital Projects

ACM: Frank Dixon

DATE: July 21, 2026

SUBJECT

Consider adoption of an ordinance authorizing the City Manager to execute and deliver Supplemental No.1 to the Water and Wastewater Utility Relocation Standard Utility Agreement (“Agreement”) by and between the City of Denton (“City”) and the Texas Department of Transportation (“TxDOT”), for the reimbursement of design, property acquisition and related services, construction, inspection, project management, and other direct costs associated with the adjustment, removal, and relocation of City facilities of both Water and Wastewater Utilities along IH-35E from US 380/ University to Milam Road (“Utility Relocations Project” (TxDOT CSJ# 0195-02-074)), within the County and City of Denton, Texas; providing for the expenditure of funds in an amount not to exceed \$8,598,481.46 for Water and Wastewater Utility Relocation efforts; and providing an effective date. The Public Utilities Board recommends approval (6-0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

BACKGROUND

TxDOT has expanded their right-of-way through the I-35 corridor within City limits with plans of widening I-35 and frontage roads. The City was responsible for relocating the City’s utilities currently located within the recently acquired TxDOT right-of-way. The relocation limits expand from the intersection with US-380 in the south to Milam Road on the northern boundary.

To meet TxDOT’s anticipated roadway construction schedule, the City’s I-35/US-380 to Milam Utility Relocation Project will relocate both water and wastewater utilities out of TxDOT’s recently expanded right-of-way.

After the project’s completion and an accounting of all costs associated with the relocation efforts, a supplemental agreement is needed by TxDOT to increase the estimated reimbursement amount from \$8,071,662.47 to \$8,598,481.46. The increase of \$526,818.99 includes authorized change orders, early finish incentive authorized by TxDOT, material over & under-runs, actual easement costs with third party attorney fees, and a third-party inspection services contract.

RECOMMENDATION

Staff recommends approval of the ordinance.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On July 18, 2023, The City of Denton authorized the Standard Utility Agreement with TxDOT approving reimbursements in the amount of \$8,071,662.47 (Ordinance No. 23-1272).

ESTIMATED SCHEDULE OF PROJECT

The City's I-35/US-380 to Milam Utility Relocation Project began construction in July 2023 and completed in May 2024, for a total of 300 calendar days of contracted construction.

FISCAL INFORMATION

The City's reimbursable financial obligation would increase by \$526,818.99, totaling \$8,598,481.46 in TxDOT reimbursements. The funding was provided from account 630471523.1365.40100 (W Project Funding) and 640420545.1365.40100 (WW Project Funding). Reimbursements requested to date, \$6,172,233.35, and have been deposited into accounts 5170.5908 (W) and 5170.4642 (WW).

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance and Agreement

Exhibit 3 – Original Agreement

Respectfully submitted:
Seth Garcia, PMP
Director of Capital Projects

For information concerning this agreement, contact Shawn Messick at 940-349-8390.

Legal point of contact: Trerod Hall at 940-349-8336