



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Attorney's Office
ACM: Mack Reinwand, City Attorney
DATE: May 19, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a Fifth Amendment to an engagement between the City of Denton and Lloyd Gosselink Rochelle & Townsend, P.C., amending the engagement approved by the City Council on July 20, 2021, in the not-to-exceed amount of \$550,000.00; amended by Amendments 1, 2, 3, and 4, approved by City Council; said Fifth Amendment to provide additional legal services for the City of Denton; providing for the expenditure of funds therefor; and providing an effective date (File 7762 – providing for an additional Fifth Amendment expenditure amount not-to-exceed \$200,000.00, with the total contract amount not-to-exceed \$1,350,000.00).

INFORMATION/BACKGROUND

On 1/16/25, the Travis County District Court ruled on DME's appeal of the Final Order issued by the Public Utility Commission (the "PUCT"). The Court agreed with DME that the PUCT's decision to set the debt service coverage ratio at 1.25% was arbitrary and capricious and violated the Open Meetings Act. The Court reversed and remanded that portion of the Final Order for further proceedings regarding the debt service coverage ratio, but did not provide any further direction to the PUCT. The Court did not grant the other relief requested by DME in the appeal, namely the PUCT's denial of the general fund transfer and its authority to force the City into a rate case.

The PUCT was not willing to negotiate a settlement with the City after the District Court's ruling, and on 2/14/25, the City filed Notice of Appeal with the Austin Court of Appeals. The PUCT also appealed the District Court decision.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On July 20, 2021, City Council approved an engagement with Lloyd Gosselink Rochelle & Townsend, P.C., in the not-to-exceed amount of \$550,000.00.

On July 18, 2023, City Council approved an engagement with Lloyd Gosselink Rochelle & Townsend, P.C., in the not-to-exceed amount of \$300,000.00.

On November 19, 2024, City Council approved an engagement with Lloyd Gosselink Rochelle & Townsend, P.C., in the not-to-exceed amount of \$100,000.00.

On March 4, 2025, City Council approved an engagement with Lloyd Gosselink Rochelle & Townsend, P.C., in the not-to-exceed amount of \$200,000.00.

RECOMMENDATION

Award Amendment No. 5 with Lloyd Gosselink Rochelle & Townsend, P.C., to provide additional legal services for the City of Denton, in a not-to-exceed amount of \$200,000.00, for a total amended contract amount of \$1,350,000.00.

PRINCIPAL PLACE OF BUSINESS

Lloyd Gosselink Rochelle & Townsend, P.C.
Austin, TX

ESTIMATED SCHEDULE OF PROJECT

The City anticipates a ruling from the Court of Appeals later this year. It is probable that the Court of Appeal’s ruling will extend the underlying matter into 2027 before it finally concludes.

FISCAL INFORMATION

These services will be funded from Denton Municipal Electric operating account 600004.7879. Purchase Order #198255 will be revised to include the Fifth Amendment amount of \$200,000.00. The total amended amount of this contract is \$1,350,000.00.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:

/s/ Devin Alexander
Deputy City Attorney

Legal Staff Contact:
Devin Alexander