



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Attorney's Office
DCM: Mack Reinwand, City Attorney
DATE: July 16, 2024

SUBJECT

An ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a fourth amendment to an engagement between the City of Denton and King & Spalding, LLP, amending the engagement approved by the City Attorney on March 11, 2022, in the not-to-exceed amount of \$49,500.00; amended by amendments 1, 2, and 3, approved by City Council; said fourth amendment to provide additional legal services for the City of Denton; providing for the expenditure of funds therefor; and providing an effective date (File 8159 – providing for an additional fourth amendment expenditure amount not-to-exceed \$1,232,237.00, with the total contract amount not-to-exceed \$2,082,237.00).

INFORMATION/BACKGROUND

This litigation matter involves a lawsuit filed by the City of Denton related to a power purchase agreement with Delilah Energy (formerly with Samson Energy) to provide 75 M/W of power to the City of Denton for a period of 13 years. The contract was terminated without legal cause by Delilah.

The lawsuit was filed on 12-5-22.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 11, 2022, the City Attorney approved an engagement with King & Spalding, LLP in the not-to-exceed amount of \$49,500.00.

On April 4, 2023, City Council approved the first amendment to the engagement authorizing an additional \$300,500.00 in expenditures to not exceed \$350,000.00.

On September 19, 2023, City Council approved a second amendment to the engagement authorizing an additional \$250,000.00 in expenditures to not exceed \$600,000.00.

On January 23, 2024, City Council approved a third amendment to the engagement authorizing an additional \$250,000.00 in expenditures to not exceed \$850,000.00.

RECOMMENDATION

Award Amendment No. 4 with King & Spalding, LLP, to provide additional legal services for the City of Denton, in a not-to-exceed amount of \$1,232,237.00, for a total amended contract amount of \$2,082,237.00.

PRINCIPAL PLACE OF BUSINESS

King & Spalding, LLP Houston, TX

ESTIMATED SCHEDULE OF PROJECT

The lawsuit is in the middle phase of litigation where a substantial amount of written discovery has taken place. We have amended the petition to add the parent company, Invenergy to the lawsuit as an additional Defendant. Depositions are still being finalized. Mediation has been scheduled for August 13, 2024. A jury trial has been scheduled for October 21, 2024.

FISCAL INFORMATION

These services will be funded from Denton Municipal Electric operating account 600001.7856. Purchase Order #202133 will be revised to include the fourth amendment amount of \$1,232,237.00. The total amended amount of this contract is \$2,082,237.00.

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Original Ordinance

Respectfully submitted:

/s/ Devin Q. Alexander

Deputy City Attorney

Legal Staff Contact:

Devin Alexander

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