



City of Denton

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

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 Agreement No. 3 to the Standard Utility Agreement (“Agreement”) by and between the City of Denton 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/or relocation of water utilities along I-35E from Mayhill to Loop 288 more specifically called the I-35E/Mayhill Utility Relocations Project (Utility ID No. U00008008) for water relocation efforts, within the County and City of Denton, Texas; providing for the expenditure of funds not to exceed an increase of Five Hundred Fifty-Six Thousand, Four Hundred Ninety-Six and 55/100 dollars (\$556,496.55) therefore; 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

In anticipation of the I-35E widening project, the City is responsible for relocating the city owned utilities outside of the newly acquired TxDOT right-of-way. In November 2022, the City and TxDOT entered into an agreement for the water and wastewater utilities to be relocated for the I-35E/Mayhill section of the project.

The Water and Wastewater Standard Utility Agreements No’s. U00008008 and U00011546 authorized reimbursement to the City for all costs associated with the City’s I-35E/Mayhill Utility Relocation Project between Mayhill and Loop 288 with the exception of the City’s elective betterment where we upsized from the equivalent 20-Inch-High Density Polyethylene (“HDPE”) water pipe to a 24-Inch HDPE water pipe in anticipation of the City’s continued growth. The cost of this elective betterment including design and construction that will not be reimbursed by TxDOT was \$782,065.00.

Upon completion of the project 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 \$17,240,049.84 to \$17,796,546.39. The City has been reimbursed to date \$12,552,154.37.

RECOMMENDATION

Staff recommends approval of the ordinance.

ESTIMATED SCHEDULE OF PROJECT

The City's I-35/Mayhill Utility Relocation Project was completed in March of 2024. Right of way easement acquisitions went through eminent domain and were finalized in November of 2025.

PRIOR ACTION/REVIEW

Nov. 15, 2022, the City of Denton authorized the Standard Utility Agreement (Ordinance No. 22-2391) with TxDOT approving reimbursements in the amount of \$16,189,482.25.

Sep. 24, 2023, Supplemental No 1. included plans that were not issued with the SUA. There was no change in the reimbursement value.

Jun. 18, 2024, The City of Denton authorized Supplemental No. 2 (Ordinance No. 24-1123) with TxDOT approving reimbursements in the amount of \$17,240,049.84

FISCAL INFORMATION

The City's reimbursable financial obligation would increase \$556,496.55, totaling \$17,796,546.39 in reimbursements from TxDOT. The funding was provided from account 630440517.1365.40100 (W Project Funding). Reimbursements will be deposited into account 4440.4642.

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 Kristine Stewart at 940-349-8537.

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