



AGENDA MEMORANDUM

Action Item for the City Council Meeting July 29, 2025

DATE: July 29, 2025

TO: Peter Zaroni, City Manager

FROM: Bill Mahaffey, Director of Gas Operations
BillM@cctexas.com
361-826-1801

Asset purchase and sale agreement with the City of Rockport for the purchase of the assets of the City of Rockport Natural Gas Utility System

CAPTION:

Resolution authorizing an asset purchase and sale agreement with the City of Rockport in an amount of \$5,500,000.00 for the purchase of the assets of the City of Rockport Natural Gas Utility System with funding available through the 2025 Utility System Revenue Bond.

SUMMARY:

This resolution authorizes the purchase of all Natural Gas Distribution system assets owned by the City of Rockport which includes approximately 5,445 meters, three City Gates, 189 miles of pipeline, one Compressed Natural Gas Station, and all other related Gas distribution related assets. The City of Rockport's Gas distribution currently serves approximately 4,700 active customers inside their City limits, the towns of Fulton and Lamar, and surrounding areas of Aransas County.

BACKGROUND AND FINDINGS:

On May 6, 2023, during a special election the voters in Rockport granted their City Council the authority to sell the Natural Gas Distribution System. November of 2024, the City of Rockport started the bid process and invited Corpus Christi Gas Department CCGAS to participate as a potential bidder. On March 28, 2025, CCGAS submitted a proposal in the form of a non-binding Letter of Intent. CCGAS was notified that it was the preferred bidder by April 14th by the City of Rockport.

ALTERNATIVES:

To not purchase the City of Rockport's Natural Gas Distribution assets increased costs to operate our current system will need to be recovered by more frequent rate increases.

FISCAL IMPACT:

The purchase of the assets of the City of Rockport Natural Gas Utility System with funding in an amount of \$5,500,000.00 available through the 2025 Utility System Revenue Bond.

Funding Detail:

Fund: 4135
Organization/Activity: 34001
Department: 11
Project # (**CIP Only**):
Account: 550060

RECOMMENDATION:

Staff Recommend the approval of this resolution

LIST OF SUPPORTING DOCUMENTS:

Resolution
Purchase and Sale Agreement
Presentation