



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting May 19, 2026

**DATE:** May 19, 2026

**TO:** Peter Zaroni, City Manager

**FROM:** Bill Mahaffey, Director of Gas Operations  
BillM@corpuschristitx.gov  
361-826-1801

### **One-year Natural Gas Supply Contract with Targa South Tex Midstream Marketing Company Ltd.**

#### **CAPTION:**

Resolution authorizing a One-year Natural Gas Supply Contract with Targa South Tex Midstream Marketing Company Ltd. for an estimated amount of \$360,000.00 for the purchase of the City's natural gas requirement to supply the City of Rockport distribution system.

#### **SUMMARY:**

The purpose of this Agenda Item is to execute a one-year supply contract with Targa South Tex Midstream Marketing Company Ltd. to provide natural gas to the City of Rockport, Fulton and Lamar, and surrounding areas of Aransas County.

#### **BACKGROUND AND FINDINGS:**

During a special meeting on May 6, 2023, the voters of City of Rockport granted their Council the authority to sell the Natural Gas Distribution System. Corpus Christi Gas Department (CCGAS) submitted its proposal to the City of Rockport on March 28 and was notified on April 14 that CCGAS was the preferred bidder. On July 29, 2025, City of Corpus Christi Council authorized a sale agreement with the City of Rockport to purchase the assets of the City of Rockport's Natural Gas Utility System. On August 12, 2025, the City Council of the City of Rockport approved the Asset Purchase and Sale Agreement for acquiring the assets of the gas system.

The City of Rockport's Natural Gas Distribution consists of 189 miles of natural gas pipelines, serving approximately 4,700 active customers in Rockport, Fulton, and Aransas County, extending south to City by the Sea and north to Lamar. The City of

Rockport's gas distribution also includes three city "gates" or distribution stations, one Compressed Natural Gas Station and all other related Gas distribution-related assets.

This annual supply agreement will replace the current monthly supply agreement that was inherited by CCGAS after acquiring the Gas distribution system from the City of Rockport. Targa South Tex Midstream Marketing Company Ltd. is currently the only available supplier and has agreed to continue service until the infrastructure and agreements can be set up for an alternative supply option.

**ALTERNATIVES:**

Not approve the contract and no longer have the capabilities of supplying natural gas to current and future customers of Rockport, Fulton and Lamar, and surrounding areas of Aransas County.

**FISCAL IMPACT:**

The fiscal impact for Rockport Gas Operations is an estimated amount of \$360,000 for the remainder of FY 2026, with the remaining cost to be budgeted in future years through the annual budget process.

**Funding Detail:**

|                        |                              |
|------------------------|------------------------------|
| Fund:                  | 4135 Rockport Gas Fund       |
| Organization/Activity: | 34100 Natural Gas Purchased  |
| Mission Element:       | 011                          |
| Project # (CIP Only):  | N/A                          |
| Account:               | 520200 Natural Gas Purchases |

**RECOMMENDATION:**

Staff recommend approving the resolution as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution  
Supply Contract