



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of January 09, 2024
Second Reading Ordinance for the City Council Meeting of January 23, 2024

DATE: January 09, 2024

TO: Peter Zaroni, City Manager

FROM: Jeff Edmonds, P.E., Director of Engineering Services
JeffreyE@cctexas.com
(361)826-3851

David Lehfeldt, Director of Solid Waste
davidl3@cctexas.com
(361) 826-1966

Granting Pipeline Easement to Houston Pipe Line Company, LP

CAPTION:

Ordinance authorizing a 30-foot-wide revocable pipeline easement to Houston Pipe Line Company, LP, to install a natural gas pipeline through the Cefe Valenzuela landfill in support of Solid Waste Department's new renewable energy program, located outside City limits.

SUMMARY:

On January 23, 2023, City of Corpus Christi authorized a ground lease and partnered with Corpus Christi Renewables (CCR) to process landfill gas from the Cefe Valenzuela landfill and sell the Renewable Natural Gas (RNG) through the natural gas markets. A pipeline is required to transport the RNG from the processing facility to the natural gas distribution system. The proposed revocable easement will allow Houston Pipe Line Company, LP to install and operate a pipeline to transport RNG to the natural gas markets.

BACKGROUND AND FINDINGS:

On January 23, 2023, City of Corpus Christi authorized a ground lease partnered with Corpus Christi Renewables (CCR) to process landfill gas from the Cefe Valenzuela landfill and sell the Renewable Natural Gas (RNG) through the natural gas markets. A pipeline is required to transport the RNG from the processing facility to the natural gas distribution system.

The proposed revocable easement will allow a pipeline to be installed by Houston Pipe Line Company, LP in the 500-foot buffer on the east side of the Cefe Valenzuela landfill to allow CCR to transport the treated RNG from the processing plant to the northern boundary of the landfill, and then to the national natural gas distribution system. The 500-foot buffer is currently used for agricultural or pipeline purposes as the landfill permit does not allow any landfill disposal activities. The terms and condition of the easement is granted coterminous with the ground lease granted

to CCR by Ordinance 032964 on January 24,2023.

ALTERNATIVES:

The alternative is not to grant the Revocable Easement. However, the renewable natural landfill gas will not be marketable without this easement.

FISCAL IMPACT:

There is no cost to the City for construction or maintenance of the pipeline to be installed in this easement. This easement will allow the treated RNG to be marketed, which will result in a new revenue stream for the City. In addition, marketing this RNG will enable the City to reduce the construction and maintenance costs of flaring and destroying the landfill gas currently budgeted in the Solid Waste Services budget.

FUNDING DETAIL:

Not applicable.

RECOMMENDATION:

Staff recommends granting the Revocable Easement as presented.

LIST OF SUPPORTING DOCUMENTS:

Revocable Easement with attached Exhibits A & B