



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting April 19, 2022
Second Reading Ordinance for the City Council Meeting April 26, 2022

DATE: April 19, 2022

TO: Peter Zanoni, City Manager

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

Revocable Easement and Temporary Construction Easement with Kinder Morgan Tejas Pipeline LLC

CAPTION:

Ordinance authorizing a Revocable Easement and a Temporary Construction Easement with Kinder Morgan Tejas Pipeline LLC for 0.05 acres of revocable easement and a temporary workspace easement of 1.51 acres to realign a portion of an existing 24-inch pipeline that transports natural gas, gaseous products, crude oil and other hydrocarbons or minerals in liquid or gaseous form on City owned property, operated by Solid Waste Department, located at the intersection of County Road 20 and County Road 57, appropriating \$11,200 into the City's Solid Waste Operating Fund and reimbursent to LA Farms in an amount of \$2,764 from Solid Waste Operating Fund for crop damages.

SUMMARY:

The Ordinance permits the City and Kinder Morgan Tejas Pipeline LLC (Tejas) to execute a Revocable Easement and a Temporary Construction Easement. The easements have been approved by the Solid Waste Department and will not impact any present or future Solid Waste operations or services.

BACKGROUND AND FINDINGS:

The City purchased the 620-acre tract of Cefe Valenzuela Landfill property in 2000 for future expansion of the landfill. The property is currently leased to LA Farms for agriculture operations. There is an existing 24-inch pipeline, built in 1954, which crosses the property in the northeast corner to transport natural gas, gaseous products, crude oil and other hydrocarbons or minerals in liquid or gaseous form.

The existing pipeline must be replaced and rerouted due to the damaged condition. Negotiations

between Tejas and the City have concluded with a lump sum payment to the City in the amount of \$11,200.00 which is outlined below:

Permanent Pipeline Easement	\$ 6,412.00
Temporary Workspace	\$ 2,000.00
Crop Damages	<u>\$ 2,764.00</u>
Total	\$11,176.00 (\$11,200.00)

The City will pay the current tenant for crop damages. Construction is scheduled to begin immediately upon Council approval and will take approximately 30 to 60 days.

ALTERNATIVES:

Council can disapprove the request to execute the easement which will not allow the pipeline realignment.

FISCAL IMPACT:

FY 2022 fiscal impact in the General Fund is an amount of \$8,436.00 (\$11,200 to be deposited and \$2,764 to be reimbursed to LA Farms).

FUNDING DETAIL:

Permanent Pipeline Easement/Temporary Workspace:

Fund: General Fund (Fund 1020)
Org #: Cefe Valenzuela Landfill Oper (Solid Waste) (Org #12506)
Mission Elem: Revenue (ME 888)
Project: Kinder Morgan Easement (Project No. N/A)
Account: Revenue (344000)
Activity: N/A
Amount: \$8,412.00

Permanent Pipeline Easement/Temporary Workspace:

Fund: General Fund (Fund 1020)
Org# Cefe Valenzuela Landfill Oper (Solid Waste) (Org #12506)
Mission Elem: Solid Waste (ME 033)
Project: Kinder Morgan Easement (Project No. N/A)
Account: Misc Charges (540250)
Activity: N/A
Amount \$2,764.00

RECOMMENDATION:

Staff recommends City Council approve this item as presented.

LIST OF SUPPORTING DOCUMENTS:

City Council Exhibit
Ordinance
Revocable Easement & Temporary Construction Easement