

# City Council Meeting

## Agenda Item

### Data Sheet

Meeting Date: August 21, 2023

#### Topic:

Approve a Facilities Agreement with Kinder Morgan Tejas Pipeline, LLC for design and construction of the interconnect for the proposed Grand Parkway Natural Gas Gate, for a not-to-exceed amount of \$236,762, authorize the expenditure of funds therefor, and authorize the City Manager to execute the agreement. This amount is included in the FY 2022-2023 budget as a Capital Improvement Project.

#### Background:

To adequately service the new development on the south side of the city limits, Lovett Industrial and Grand Parkway Town Center, the need for an additional gas gate was identified. Currently there are no gas distribution lines in the immediate vicinity of these developments, however both developments require gas service for their operations.

Staff has worked with Kinder Morgan Tejas Pipeline, LLC to develop a plan for the design and construction of an Interconnect to service the proposed Grand Parkway Natural Gas Gate. The proposed Facilities Agreement requires Kinder Morgan to design, construct, test, own, maintain and operate the meter, tap, electronic flow measurement equipment (EFM), transmitters, communications equipment and all necessary pipelines and related facilities to deliver natural gas.

The agreement stipulates that the City is responsible to design, construct, test, maintain and operate any EFM desired for checking measurement of the gas delivered, required pressure protection equipment, and all necessary pipelines and related facilities that are required to receive natural gas from Kinder Morgan. The City has been working with Engineered Utility Solutions, Inc. to design the required components, and the plans have been completed and are pending final review prior to bid.

Per the terms and conditions of the Facilities Agreement the City must reimburse Kinder Morgan for the actual cost related to the design and construction of the interconnect, approximately \$236,762. The total cost for the Interconnect, City Gas Gate, and engineering will be split between the City, LIT Interchange 249 Phase I, LLC, and A-K 133 Hwy 249-Grand Parkway, L.P., with each entity contributing approximately 33% for all components of the proposed Grand Parkway Natural Gas Gate. A total breakdown of all proposed expenses is reflected in the table below.

<b>Anticipated Expenses</b>	
Engineered Utility Solutions, Inc	\$29,702.50
Kinder Morgan Tejas Pipeline	\$236,762.00
Estimated Gas Gate Construction	\$275,000.00

This item would authorize the Facilities Agreement with Kinder Morgan Tejas Pipeline, LLC for the design and construction of the Interconnect to service the Grand Parkway Natural Gas Gate to be paid by the City and a cost sharing reimbursement agreement with LIT Interchange 249 Phase I, LLC and A-K133 Hwy 249-Grand Parkway, LP.

**Origination:** Project Management

**Recommendation:**

Staff recommends approving a Facilities Agreement with Kinder Morgan Tejas Pipeline, LLC for the design and construction of an Interconnect for an amount not-to-exceed \$236,762.

**Party(ies) responsible for placing this item on agenda:** Meagan Mageo, Project Manager

**FUNDING (IF APPLICABLE)**

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: \_\_\_\_\_ If yes, specify Account Number: #400-615-6409

If no, funds will be transferred from account: # \_\_\_\_\_ To Account: # \_\_\_\_\_

**Signed:** Meagan Mageo **Approved by:** \_\_\_\_\_  
Staff Member Date City Manager Date