

Mayor and Council Communication

DATE: 11/12/19

M&C FILE NUMBER: M&C 19-0298

LOG NAME: 60WWDIVERSION-GAS RELOCATIONS

SUBJECT

Authorize Execution of a Reimbursement Agreement with Barnett Gathering LLC, in the Amount of \$85,000.00 for a Gas Pipeline Abandonment to Accommodate the Wastewater Diversion from East of Eagle Mountain Lake Drainage Basin to Big Fossil Creek Drainage Basin Project and Adopt Appropriation Ordinance (COUNCIL DISTRICT 7)

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing appropriations in the Water and Sewer Capital Projects Fund in the amount of \$85,000.00 from available funds; and
2. Authorize the execution of a Reimbursement Agreement with Barnett Gathering LLC, in the amount of \$85,000.00 for two gas pipeline abandonments to accommodate the Wastewater Diversion from East of Eagle Mountain Lake Drainage Basin to Big Fossil Project (City Project No. C01309).

DISCUSSION:

The City's Wastewater Diversion from East of Eagle Mountain Lake Drainage Basin to Big Fossil Creek Drainage Basin Project conflicts with the existing gas pipeline. In order for the City to construct its project, the gas pipeline must be lowered or abandoned. The City is responsible for these costs. Barnett Gathering LLC, has agreed to abandon the conflicting gas pipelines and the Reimbursement Agreement is necessary to allow reimbursement of the total cost of \$85,000.00. Construction for relocation of the gas pipelines is anticipated to commence in October 2019.

Funding for the Wastewater Diversion from East of Eagle Mountain Lake Drainage Basin to Big Fossil Creek Drainage Basin Project are depicted below by fund:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
Water & Sewer Bond 2017A - Fund 56011	\$1,133,155.00	\$0.00	\$1,133,155.00
Water Capital - Fund 59601	\$5,207.00	\$0.00	\$5,207.00
Sewer Capital Legacy - Fund 9607	\$232,000.00	\$0.00	\$232,000.00
W&S Commercial Paper- Fund 56016	\$8,403,638.00	\$0.00	\$8,403,638.00
W&S Capital Projects - Fund 56002	\$0.00	\$85,000.00	\$85,000.00
Project Total	\$9,774,000.00	\$85,000.00	\$9,859,000.00

*Numbers rounded for presentation.

The project is located in COUNCIL DISTRICT 7.

A Form 1295 is not required because: This contract will be with a gas utility: Barnett Gathering LLC

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon the approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the current capital budget, as appropriated, in the Water and Sewer Capital Projects Fund. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: Lawrence Hamilton 2626