

	<div data-bbox="1235 218 1474 457"> <p>District Impacted</p> <p><input type="checkbox"/> 1 = Anzollitto</p> <p><input type="checkbox"/> 2 = Woolard</p> <p><input type="checkbox"/> 3 = Tye</p> <p><input type="checkbox"/> 4 = Cisneros</p> <p><input type="checkbox"/> 5 = Handren</p> <p><input checked="" type="checkbox"/> All</p> </div> <p style="text-align: center;">AGENDA ITEM SUMMARY</p>
AGENDA DATE	May 22, 2018
DESCRIPTION	<p>CONSIDER RESOLUTION NO. 2018-R39; A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AND MANAGE A LEASE AGREEMENT BETWEEN THE CITY OF BOERNE AND CENTERPOINT ENERGY FOR A COMPRESSED NATURAL GAS TANK. <i>(Backup supply for the natural gas system during an upcoming transmission main outage)</i></p>
STAFF'S RECOMMENDED ACTION (be specific)	<p>Approve Resolution No. 2018-R39 authorizing the City Manager to lease a compressed natural gas tank from Centerpoint Energy to serve as system supply backup in an amount not to exceed \$25,000.00.</p>
CONTACT PERSON	Michael G. Mann
SUMMARY	<p>On May 9, we received a call from our natural gas supplier (West Texas Gas) that the natural gas transmission main that serves both of our substations will experience a planned outage of up to 18 days. The transmission main is owned by Enterprise Products. Enterprise advises that the outage is necessary for mandatory maintenance of the pipeline for regulatory reasons. Their 30+ mile long pipeline between Bandera and New Braunfels will be taken out of service in early June for this work (we got about 30 days of notice). Unfortunately, both of our substation service points are on that main, so we will lose our entire supply of gas as normally received. This same maintenance and outage program happened in 2008.</p> <p>We have spent the last couple of weeks, with great cooperation from Grey Forest Utilities, determining whether or not that utility can back-feed our entire system through their distribution network as supplied from other areas as they did a decade ago, but both our utilities have experienced significant growth since that time. Long story short, however, Grey Forest has advised they are confident that this back-fed setup will work again – under anticipated normal operating conditions.</p> <p>So, it is likely that we would see no interruption of service. However, if an unusually large discharge happens in either system during this outage, there could be an interruption in the back-fed supply. This could cause our system to become de-pressurized. Not only would our customers lose gas service, but we would have to systematically</p>

	<p>re-pressurize our system followed by helping our customers with their own plumbing – not a good situation.</p> <p>We have a back-up plan, however. West Texas Gas put us in contact with Centerpoint Energy who has mobile compressed natural gas tankers. There are costs associated with delivery and setup of these units, and there would also be cost for product if we have to use it. Based on prior experience and information shared to date, we believe a worst-case cost would be about \$25,000. This expenditure amount requires specific approval of the Council per our Home Rule Charter.</p> <p>Staff believes this redundancy in supply capability is important to have on hand immediately if needed. Therefore, we recommend that Council authorize the City Manager to proceed with setting up one of these mobile units.</p> <p>We are continuing to work on the logistics including getting a more finite cost proposal. That information should be available for presentation to the Council by the date of the meeting.</p>
COST	Up to \$25,000
SOURCE OF FUNDS	Gas Utility Fund Balance
ADDITIONAL INFORMATION	

This summary is not meant to be all inclusive. Supporting documentation is attached.