



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 10

**Agenda Date:** June 12, 2025

**In Control:** City Council A Session

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**DEPARTMENT:** Public Works Department

**DEPARTMENT HEAD:** Razi Hosseini

**COUNCIL DISTRICTS IMPACTED:** District 2

**SUBJECT:**

Reimbursement Agreement Amendment: Peggy Drive Area Drainage (Eastgate Subdivision)

**SUMMARY:**

An ordinance approving the execution of an amendment in the increased amount of \$118,040.32 for a total Reimbursement Agreement amount of \$403,740.32 for additional costs incurred by CITGO Products Pipeline Company related to the lowering of a high-pressure gas pipeline in advance of the Peggy Drive Area Drainage Project, located in Council District 2. Funding is available from the 2022 General Obligation Bond Program and included in the FY 2025 Capital Budget.

**BACKGROUND INFORMATION:**

***Project Background***

On May 7, 2022, San Antonio voters approved the 2022-2027 Bond Program, consisting of six propositions totaling \$1.2 Billion, which included \$20,000,000 under Proposition B, Drainage and Flood Control for the Peggy Drive Area Drainage Project. This project includes the regrading of an existing earthen channel and installation of an underground storm drain system and associated reconstruction of streets with curbs, sidewalks, and driveway approaches.

***Previous City Council Action***

On November 21, 2024, the City Council approved a Reimbursement Agreement between the City of San Antonio and CITGO Products Pipeline Company in the amount of \$285,700 for design and construction costs related to the lowering of a high-pressure gas pipeline in advance of the Peggy Drive Area Drainage Project, a 2022 Bond funded project.

This proposed amendment will increase the Reimbursement Agreement capacity by \$118,040.32 to a revised agreement amount of \$403,740.32. This will be the first amendment to this agreement.

The following table illustrates the proposed amendment since the execution of this agreement:

<b>Item</b>	<b>Amount</b>
Original Reimbursement Agreement Value	\$285,700.00
Proposed Reimbursement Amendment	\$118,040.32
Revised Reimbursement Value	\$403,740.32

This proposed amendment authorizes and compensates CITGO Products Pipeline Company for additional costs incurred related to the lowering of a high-pressure gas pipeline in advance of the Peggy Drive Area Drainage Project, a 2022 Bond funded project.

**ISSUE:**

This ordinance approves the execution of an amendment in the increased amount of \$118,040.32 for a total Reimbursement Agreement amount of \$403,740.32 for additional costs incurred by CITGO Products Pipeline Company related to the lowering of a high-pressure gas pipeline in advance of the Peggy Drive Area Drainage Project, located in Council District 2. Funds are available from the 2022 General Obligation Bond Program and included in the FY 2025 Capital Budget.

Project construction is anticipated to begin in Spring 2026 and is estimated to be completed by Fall 2027.

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**ALTERNATIVES:**

None.

**FISCAL IMPACT:**

This ordinance awards a reimbursement of \$118,040.32 to CITGO Products Pipeline Company for additional costs incurred related to the lowering of a high-pressure gas pipeline in advance of the

Peggy Drive Area Drainage Project. Funds are available from the 2022 General Obligation Bond Program and included in the FY 2025 Capital Budget.

**RECOMMENDATION:**

Staff recommends approval.