

# Fact Sheet

## Exploring the Sale of the City of Castroville Natural Gas System

- The City of Castroville Gas Distribution System was established in the 1960's over 65 years ago with approximately 26.9 miles of coated steel mains and 694 services. The system currently consists of approximately 26.9 miles (78.2%) of coated steel mains and 696 services and 7.5 miles (21.7%) of polyethylene (PE) mains and 289 services. The mains and services consist of 2" or less and over 2" to 4".
- CPS Energy Operations & Maintenance Agreement ends approximately in September of 2024.
- TXRRC 8% facilities replacement program along with federal DIMP are additional cost to the utility.
- PHMSA requires operator qualified (skilled) employees.
- There is an increase in the regulatory burden from the TXRRC/PHMSA making it more complex for a small municipally owned gas system to remain operating.
- Larger gas organizations can handle the increased regulatory burden and hire qualified personnel for a multitude of tasks necessary for operations.
- Economies of Scale- larger gas operators can redirect and share, equipment, staff, and supplies to various operations.
- A sale of the City's gas system will result in a one-time revenue to the City and on-going revenue in the form of franchise fees.

This is a choice for our community.

- *A Vote FOR the Sale of the gas system allows the council the option to solicit bids from perspective gas operators to own and operate the system.*
- *A Vote Against the option to sale the gas system will require the City to operate and maintain the gas system when the contract with CPS expires.*