

INTRODUCED: July 1, 2024

AN ORDINANCE No. 2024-191

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept funds in the amount of \$10,000,000.00 from the United States Department of Transportation, Pipeline and Hazardous Material Safety Administration, and to amend the Fiscal Year 2024-2025 Gas Utility Budget, which appropriated the estimated receipts of the gas utility, by increasing estimated receipts and the amount appropriated for the gas utility by \$10,000,000.00, for the purpose of providing funding for the repair, rehabilitation, and replacement of natural gas pipelines and related equipment.

\_\_\_\_\_  
Patron – Mayor Stoney

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: JULY 22 2024 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer is authorized to accept funds in the amount of \$10,000,000.00 from the United States Department of Transportation, Pipeline and Hazardous Material Safety Administration for the purpose of providing funding for the repair, rehabilitation, and replacement of natural gas pipelines and related equipment.

AYES:            9            NOES:            0            ABSTAIN: \_\_\_\_\_

ADOPTED:    JULY 22 2024    REJECTED: \_\_\_\_\_    STRICKEN: \_\_\_\_\_

§ 2. That Article I, Section 9 of Ordinance No. 2024-099, adopted May 13, 2024, which adopted a Gas Utility Budget for the fiscal year commencing July 1, 2024, and ending June 30, 2025, be and is hereby amended by increasing the estimated receipts of and the amount appropriated for the gas utility and the amount appropriated for expenditures of the gas utility by \$10,000,000.00, for the purpose of providing funding for the repair, rehabilitation, and replacement of natural gas pipelines and related equipment.

§ 3. This ordinance shall be in force and effect upon adoption.

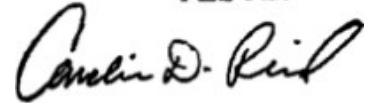
APPROVED AS TO FORM:

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CITY ATTORNEY'S OFFICE

**A TRUE COPY:**

**TESTE:**

A handwritten signature in black ink, appearing to read "Carlin D. Reed". The signature is written in a cursive style with a large initial "C".

**City Clerk**



# City of Richmond

900 East Broad Street  
2nd Floor of City Hall  
Richmond, VA 23219  
www.rva.gov

## Master

**File Number: Admin-2024-0671**

**File ID:** Admin-2024-0671

**Type:** Request for Ordinance or Resolution

**Status:** Regular Agenda

**Version:** 1

**Reference:**

**In Control:** City Clerk Waiting Room

**Department:**

**Cost:**

**File Created:** 06/20/2024

**Subject:**

**Final Action:**

**Title:** Natural Gas Distribution Infrastructure Safety and Modernization (“NGDISM”) Grant; Richmond Gas Works Cast Iron Renewal Program

### Internal Notes:

### Code Sections:

**Agenda Date:** 07/01/2024

### Indexes:

**Agenda Number:**

### Patron(s):

**Enactment Date:**

**Attachments:** Admin-2024-0671 2024.6.20 Gas Works NGDISM Grant - AATF.docx, Admin-2024-0671\_PHMSA NGDISM Grant Award Letter, Admin-2024-0671\_PHMSA NGDISM Grant Agreement

**Enactment Number:**

### Contact:

**Introduction Date:**

**Drafter:** John.Vaughan@rva.gov

**Effective Date:**

### Related Files:

## Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	6/22/2024	April Bingham	Approve	6/21/2024
1	2	6/26/2024	Robert Steidel	Approve	6/25/2024
1	3	6/26/2024	Meghan Brown	Approve	6/27/2024
1	4	6/26/2024	Sheila White	Approve	6/27/2024
1	5	6/28/2024	Jeff Gray	Approve	6/27/2024
1	6	6/28/2024	Lincoln Saunders	Approve	7/9/2024
1	7	6/28/2024	Mayor Stoney	Approve	7/18/2024

## History of Legislative File

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<b>Ver- sion:</b>	<b>Acting Body:</b>	<b>Date:</b>	<b>Action:</b>	<b>Sent To:</b>	<b>Due Date:</b>	<b>Return Date:</b>	<b>Result:</b>
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**Text of Legislative File Admin-2024-0671**

**Title**

Natural Gas Distribution Infrastructure Safety and Modernization (“NGDISM”) Grant;  
Richmond Gas Works Cast Iron Renewal Program

**Body**

**O & R Request**

**DATE:** June 28, 2024 **EDITION:** 2  
**TO:** The Honorable Members of City Council  
**THROUGH:** The Honorable Levar M. Stoney, Mayor  
**THROUGH:** Lincoln Saunders, Chief Administrative Officer  
**THROUGH:** Sheila White, Director of Finance  
**THROUGH:** Meghan Brown, Interim Director of Budget and Strategic Planning  
**THROUGH:** Robert C. Steidel, Deputy Chief Administrative Officer, Operations  
**THROUGH:** April M. Bingham, Senior Director of Public Utilities  
**FROM:** Daniel Rifenburg, Director of Richmond Gas Works  
Billy Vaughan, Deputy Director, Senior, Department of Public Utilities  
Christian Chirico, Deputy Director of Richmond Gas Works  
**RE:** Natural Gas Distribution Infrastructure Safety and Modernization (“NGDISM”) Grant; Richmond Gas Works Cast Iron Renewal Program

**PURPOSE:** To authorize the Chief Administrative Officer to accept funds in the amount of \$10,000,000.00 from the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) through the Natural Gas Distribution Infrastructure Safety and Modernization Grant program, and to appropriate the funds received to the Fiscal Year 2024-2025 Budget by increasing revenues and the amount appropriated to the Department of Public Utilities’ Gas Utility enterprise funds for the purpose of funding the Richmond Gas Works Cast Iron Renewal Program. Richmond Gas Works has identified, and PHMSA has approved, nine (9) projects in historically disadvantaged areas that will help to accelerate the Richmond Gas Works Cast Iron Renewal Program. The renewal of these legacy cast and ductile iron pipelines and the associated service lines will help to reduce methane emissions and significantly improve the gas system’s reliability and resiliency.

**BACKGROUND:** The Natural Gas Distribution Infrastructure Safety and Modernization (“NGDISM”) grant program is a new grant program that helps improve public safety, protect public health, and reduce methane emissions from natural gas distribution pipelines. The NGDISM grant program, established by President Biden’s historic Bipartisan Infrastructure Law, provides nearly \$1 billion in funding over the course of five years to modernize municipally- and community-owned natural gas distribution pipelines, helping to keep communities across the country safe from pipeline leaks. The first year of grant winners has been selected, and U.S. Transportation Secretary Pete Buttigieg and PHMSA have announced a historic \$196 million in grants for 37 projects spread across 19 states. For the first year, a cap of \$10,000,000.00 (ten million dollars and zero cents) was set for any one grant winner. Richmond Gas Works is honored to have been selected and awarded the maximum amount allowable by PHMSA.

**COMMUNITY ENGAGEMENT:**

Richmond Gas Works may engage the community through various methods of customer outreach prior to and during construction which may include but not be limited to door hangers, social media posts, neighborhood association meetings and consultation with other impacted stakeholders throughout the various project sites.

**STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL:**

**FISCAL IMPACT:** By accepting this grant, Richmond Gas Works will receive \$10,000,000.00 to help offset costs associated with the Richmond Gas Works Cast Iron Renewal Program or accelerate the Richmond Gas Works Cast Iron Renewal Program.

**DESIRED EFFECTIVE DATE:** Upon adoption

**REQUESTED INTRODUCTION DATE:** July 1, 2024

**CITY COUNCIL PUBLIC HEARING DATE:** July 22, 2024

**REQUESTED AGENDA:** Consent

**RECOMMENDED COUNCIL COMMITTEE:** Finance and Economic Development  
Standing Committee

**AFFECTED AGENCIES:** Department of Public Utilities - Richmond Gas Works, Department of Finance, Department of Budget and Strategic Planning

**RELATIONSHIP TO EXISTING ORD. OR RES.:** None

**ATTACHMENTS:** PHMSA NGDISM Grant Award Letter, PHMSA NGDISM Grant Contract

**STAFF:** Daniel Rifenburg, Director - Richmond Gas Works - (804) 646 -8307

Billy Vaughan, Deputy Director of DPU - (804) 646 - 5232

Christian Chirico, Deputy Director - Richmond Gas Works (804) 646 - 8770



US Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety Admin-  
istration**

1200 New Jersey Avenue, SE  
Washington, DC 20590

April 5, 2023

Mr. Daniel Rifenburg  
Acting Senior Deputy Director  
City of Richmond  
400 Richmond Highway  
Richmond, VA 23224

Dear Mr. Daniel Rifenburg:

Congratulations! The Pipeline and Hazardous Materials Safety Administration's (PHMSA) Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) grant program has provisionally selected the City of Richmond to receive an award in the amount of \$10,000,000. As you know, the purpose of this grant is to assist in the repair, rehabilitation, or replacement of aging, leak-prone distribution pipeline infrastructure, and the acquisition of equipment to (1) reduce incidents and fatalities and (2) avoid economic losses.

The number of competitive applications and their funding requests well exceeded the statutorily available funding of \$200 million (including \$4 million in administrative costs) in any one fiscal year for the NGDISM Grant Program. In total, applicants requested over \$1.2 billion in funding for a 5-year \$1 billion program in the first year alone. Due to the demand, PHMSA elected to implement a \$10 million cap so that more entities could receive funding. Additionally, PHMSA elected to cap all contingency costs to 10 percent.

This letter will cover pre-award costs, special terms and conditions of the award, next steps for the Tier 2 Environmental Assessment process, and any project(s) that PHMSA has deemed not acceptable.

### **Pre-Award Costs**

Recipients cannot expend grant funds or begin work involving construction, renovation, repair, rehabilitation, or ground or visual disturbance on a project awarded a NGDISM grant until PHMSA concludes its responsibilities under the National Environmental Policy Act (NEPA) and related Section 106 of the National Historic Preservation Act reviews ([40 CFR Part 1500](#), [54 USC § 306108](#), and [36 CFR Part 800](#)).



Reviews will be considered complete when PHMSA issues a Tier 2 Site Specific Environmental Assessment and a Finding of No Significant Impact (FONSI).

Recipients may request pre-award authority from PHMSA to allow for approved non-construction preparatory activity costs to be reimbursed once the NEPA and Section 106 reviews are completed. These costs include, but are not limited to, architectural and engineering designs, environmental and historic preservations reviews, permitting, and licenses. Contact us at [PHMSAPipelineBILGrant@dot.gov](mailto:PHMSAPipelineBILGrant@dot.gov) or (202) 366-4595 if you would like more information or are interested in requesting pre-award approvals. Note that even with PHMSA's prior approval to incur pre-award costs, the allowability of pre-award costs is subject to the cost principles in [2 CFR Subpart E](#).

### **Special Terms and Conditions**

The award is contingent upon completion of the Tier 2 Environmental Assessment and attendance at a PHMSA Civil Rights training webinar.

In addition, the award is contingent upon your organization submitting a revised application to PHMSA which reduces the total budget to no more than \$10,000,000 and removes any project(s) deemed not acceptable (see below).

### **Next Steps for the Tier 2 Environmental Assessment**

PHMSA will require the completion of the Tier 2 Environmental Assessment and other administrative tasks using PowerApps, and PHMSA will provide provisional selectees with access to this tool. PowerApps is software that will facilitate real-time communication between PHMSA and your organization. For the completion of the Tier 2 Environmental Assessment, please list up to three points of contact who will need access to PowerApps. This should include each point of contact's name, email address, and role in completing the assessment.

### **Project(s) Deemed Not Acceptable**

PHMSA has deemed the Risk and Security Assessment which was budgeted for \$316,545.00. not acceptable.

Thank you for your interest in the NGDISM grant program and we look forward to working with you.


Sincerely,

ALAN KRAMER  
MAYBERRY

Digitally signed by ALAN KRAMER MAYBERRY  
Date: 2023.04.05  
13:36:35 -04'00'

Alan K. Mayberry  
Associate Administrator for Pipeline Safety

### ASSISTANCE AGREEMENT

1. Award No. 693JK32440026NGDI		2. Modification No. 0001	3. Effective Date	4. CFDA No. 20.708
5. Awarded To RICHMOND VA CITY OF 900 E BROAD ST STE 201 RICHMOND VA 232191907		6. Sponsoring Office PIPELINE AND HAZARDOUS MATERIALS SA Office of Pipeline Safety (PHP) 1200 New Jersey Avenue SE, East Bldg, 3rd Washington DC 20590		7. Period of Performance 08/01/2024 through 07/31/2027
8. Type of Agreement <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Cooperative Agreement <input type="checkbox"/> Other	9. Authority		10. Purchase Request or Funding Document No. PH-RFM956-24-0103	
11. Remittance Address RICHMOND VA CITY OF 1108 EAST MAIN STREET, SUITE 602 RICHMOND VA 232193534		12. Total Amount Govt. Share: \$10,000,000.00  Cost Share : \$0.00  Total : \$10,000,000.00		13. Funds Obligated This action: \$0.00  Total : \$10,000,000.00
14. Principal Investigator	15. Program Manager SHAKIRA MACK Phone: 202-366-5090		16. Administrator PIPELINE AND HAZARDOUS MATERIALS SA Acquisition Services Division 1200 New Jersey Avenue SE, East Bldg, 3rd Washington DC 20590	
17. Submit Payment Requests To		18. Paying Office PHMSA Delphi eInvoicing System <a href="https://einvoice.esc.gov">https://einvoice.esc.gov</a>		19. Submit Reports To
20. Accounting and Appropriation Data See Schedule				
21. Research Title and/or Description of Project CITY OF RICHMOND FY 2022				
For the Recipient			For the United States of America	
22. Signature of Person Authorized to Sign  <b>No Signature Required from Grantee</b>			25. Signature of Grants/Agreements Officer 	
23. Name and Title	24. Date Signed	26. Name of Officer DAMOND SMITH		27. Date Signed 06132024

**CONTINUATION SHEET**

REFERENCE NO. OF DOCUMENT BEING CONTINUED  
693JK32440026NGDI/0001

PAGE OF  
2 | 2

NAME OF OFFEROR OR CONTRACTOR  
RICHMOND VA CITY OF

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	<p>UEI: EG4LF5GYLK81</p> <p>The purpose of this Amendment is to change the period of performance from 5/29/2024 through 5/28/2027 to 8/1/2024 through 7/31/2027. The City of Richmond is not authorized to commence work on this project until authorization is received from City Council and the City of Richmond Chief Administrative Officer.</p> <p>Prepay Indicate: YES</p> <p>POINTS OF CONTACT:</p> <p>Grants Management Contact: Renee Taylor, 757-936-2300, renee.taylor@dot.gov.</p> <p>ESC Payment Questions: Valerie Godsey, (405) 954-9391, valerie.godsey@faa.gov</p>				

