



City of Richmond

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

Legislation Text

File #: ORD. 2025-158, **Version:** 1

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept funds in the amount of \$15,733,481.00 from the United States Department of Transportation, Pipeline and Hazardous Material Safety Administration, and to amend the Fiscal Year 2025-2026 Gas Utility Budget, which appropriated the estimated receipts of the gas utility, by increasing estimated receipts and the amount appropriated for expenditures of the gas utility by \$15,733,481.00, for the purpose of providing funding to repair, rehabilitate, and replace natural gas pipelines and related equipment.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer is authorized to accept funds in the amount of \$15,733,481.00 from the United States Department of Transportation, Pipeline and Hazardous Material Safety Administration for the purpose of providing funding to repair, rehabilitate, and replace natural gas pipelines and related equipment.

§ 2. That Article I, Section 9 of Ordinance No. 2025-057, adopted May 12, 2025, which adopted a Gas Utility Budget for the fiscal year commencing July 1, 2025, and ending June 30, 2026, 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 \$15,733,481.00, for the purpose of funding the repair, replacement, and rehabilitation of natural gas pipelines and related equipment.

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

City of Richmond

Intracity Correspondence

O&R TRANSMITTAL

DATE: May 28, 2025

TO: The Honorable Members of City Council

THROUGH: The Honorable Daniel Avula, Mayor

THROUGH: Sabrina Joy-Hogg, Acting Chief Administrative Officer

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan Brown, Director of Budget and Strategic Planning

THROUGH: Anthony “Scott” Morris, Senior Director of Public Utilities

FROM: Daniel Rifenburg, Director of Richmond Gas Works
John “Billy” Vaughan, Deputy Director 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

ORD. OR RES. No.

PURPOSE: To authorize the Chief Administrative Officer to accept funds in the amount of \$15,733,481.00 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 2025-2026 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, projects 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 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.

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 \$15,733,481.00 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: June 23, 2025

CITY COUNCIL PUBLIC HEARING DATE: July 28, 2025

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

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