



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: August 10, 2026

Presenter: Deb Caldwell, Chief
Operations Officer

Subject: Possible action regarding Right of
Way Agreement with Outer Loop
Utility at Reagan High School

Related Attachments
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ACTION ITEM

BACKGROUND INFORMATION

In March 2026, the Board of Trustees approved a Right of Way Agreement with Outer Loop Utility LLC for the construction of an underground natural gas pipeline on portions of the district properties of Ronald Reagan High School and Tex Hill Middle School. Since then, the construction plan at Reagan High School has been revised due to new geotechnical and engineering data.

The revised route uses an existing utility corridor through a Reagan High School parking area and requires open-cut construction to the existing pavement. The construction period will disrupt some student parking temporarily, and the school will adjust by issuing fewer permits. Howard Energy Partners, who is overseeing the construction, operation and maintenance of the Outer Loop Utility Pipeline, will incur all expenses of restoring the parking area.

An amendment to the original Right of Way Agreement is needed to reflect a change in the planned pipeline location and proposed parking solutions as shown in the attached exhibit. If approved, construction will commence on or after November 6, 2026 and be completed in February 2027.

ADMINISTRATIVE CONSIDERATION

The Outer Loop Utility is designated as a public utility, similar to water, sewer, and telecommunications lines. Outer Loop Utility has the power to condemn the easement interests, if necessary, pursuant to Chapter 21 of the Texas Property Code.

BUDGETARY CONSIDERATION

Because this change is driven by new engineering information and not by any action of the District, the payment of \$274,091 under the original easement agreement remains with the District. A separate payment of \$211,714 for the new easement area and temporary workspace needed for the revised crossing will be made to the District. Additionally, Howard Energy will pay a lump sum of \$350,000 to help mitigate any disruptions to operations and student activities during the construction period, outside of the cost of restoring the parking lot. Total compensation to the district is \$835,805.

ADMINISTRATIVE RECOMMENDATION

The District recommends that the Board of Trustees approve the first amendment to the Right-Of-Way Agreement with Outer Loop Utility, LLC.

BOARD ACTION REQUIRED

Approval/Disapproval