

# Valley Line West

## Approval of Crossing Agreement

### Recommendation

That crossing agreements between:

- the City of Edmonton and Trans Mountain Pipeline L.P. in the amount not to exceed \$1,500,000 CAD (exclusive of GST),
- the City of Edmonton and Plains Midstream Canada ULC in the amount not to exceed \$10,000,000 (exclusive of GST), and
- the City of Edmonton and Pembina Pipeline Corporation in the amount not to exceed \$2,500,000 (exclusive of GST),

as outlined in Attachment 2 of the April 12, 2021, Integrated Infrastructure Services report IIS00453, be approved, and that the agreements be in form and content acceptable to the City Manager.

### Executive Summary

This report requests approval to enter into crossing agreements required for Trans Mountain Pipeline L.P. (“Trans Mountain”), Plains Midstream Canada ULC (“Plains Midstream”), and Pembina Pipeline Corporation (“Pembina”) to relocate and/or protect their pipelines, which are in conflict with the Valley Line West LRT project construction (Attachment 1). The proposed agreements exceed the authority provided to the City Manager pursuant to section 43(a) of Bylaw 16620, the City Administration Bylaw.

### Report

The Valley Line West LRT project (the “Project”) includes the construction of a Light Rail Vehicle (LRV) storage facility east of the Gerry Wright Operations and Maintenance Facility. The yard tracks connecting the operations and maintenance facility to the new LRV storage facility must cross an existing pipeline right of way and will conflict with an existing pipeline that is owned by Trans Mountain, two pipelines owned by Plains Midstream, and a pipeline owned by Pembina. The pipeline right of way is also shared with a pipeline owned by ATCO Pipelines but has no conflict. As owners of their pipelines, Trans Mountain, Plains Midstream, and Pembina have sole authority with respect to the mitigation work associated with the City’s requirements for the Project. The City will provide reimbursement for the related costs.

### Trans Mountain

Administration has been working with Trans Mountain to develop a plan for the investigation, engineering design, and construction to mitigate the conflicts between the existing pipeline at the two crossing locations and at the proposed yard track alignment. Trans Mountain has provided Administration with a preliminary estimate of investigation and construction costs which includes excavation, inspection, installation of casings, and testing. An agreement to cover the investigation and construction work will be executed immediately upon approval.

### Plains Midstream

Plains Midstream has an executed agreement for the investigation and design of pipeline replacement works and is actively performing field investigations and mitigation design work. A subsequent agreement is required for the performance of the mitigation work to manage the risks associated with the conflicts between the two existing pipelines.

### Pembina

A plan for the investigation, engineering design, and construction to mitigate the conflict with Pembina's existing pipeline is in progress. An agreement is required to cover the investigation and protection work.

Approval to enter into these agreements will be required to fulfill the City's obligations under the Valley Line West LRT project agreement to obtain crossing agreements to mitigate pipeline conflicts at the Gerry Wright Operations and Maintenance site. All temporary construction crossing agreements are the responsibility of the Valley Line West contractor to negotiate, enter into, and perform accordingly.

### **Policy Considerations**

As per City Administration Bylaw 16620, agreements not pertaining to an interest in land which exceed \$500,000 in value are outside the authority of the City Manager and must be approved by the appropriate Committee of Council.

### **Budget/Financial**

Conflicts with existing pipelines owned by Trans Mountain, Plains Midstream, and Pembina were anticipated and the budget for the work is available under Capital Profile Number 16-66-7017.

### **Public Engagement**

Public engagement was not conducted as it is not applicable to the agreements being sought with Trans Mountain, Plains Midstream, and Pembina and would not impact their sole authority over the relocation of their respective pipelines.

**Corporate Outcomes and Performance Management**

<b>Corporate Outcome(s): Edmontonians use public transit and active modes of transportation</b>			
<b>Outcome(s)</b>	<b>Measure(s)</b>	<b>Result(s)</b>	<b>Target(s)</b>
Edmontonians use public transit and active modes of transportation	Pipeline mitigation is completed	Construction of required yard tracks over the pipeline corridor proceeds and is completed by the required date	All mitigations complete by Q3 2022

**Risk Assessment**

<b>Risk Element</b>	<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Score (with current mitigations)</b>	<b>Current Mitigations</b>	<b>Potential Future Mitigations</b>
Financial	A delay in mitigating pipelines may cause a delay in LRT construction and potential claims	2 - Unlikely	4 - Severe	8 - Medium	Early discussions with pipeline companies have taken place with conceptual designs developed	Coordination with pipeline companies and LRT contractor to mitigate impacts. Engage with Law for proactive claims avoidance
Commercial	Delays to the Valley Line will cause impacts to ETS by delays in LRT service commencement	2 - Unlikely	2 - Moderate	4 - Low	Ongoing risk management and tracking to assess any delays to service commencement	Develop alternate bus service plan with ETS
Project Management	Delays to pipeline mitigation will impact LRT contract administration and schedule	2 - Unlikely	2 - Moderate	4 - Low	Development of risk management strategy and tracking has taken place	Active project management and coordination with pipeline company and LRT contractor

Schedule	Delays to pipeline mitigation may delay LRT construction and may delay service	2 - Unlikely	2 - Moderate	4 - Low	Ongoing risk management and tracking to assess any delays to service commencement	Develop alternate bus service plan with ETS
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**Attachments**

1. Pipeline Crossing Location
2. Agreement Term Sheet

**Others Reviewing this Report**

- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- G. Cebryk, Deputy City Manager, City Operations
- C. Owen, Deputy City Manager, Communications and Engagement
- K. Fallis-Howell, Acting City Solicitor