

Memorandum

TO: Members of Council
FROM: Krista Power, City Clerk
DATE: Thursday, November 10, 2022
SUBJECT: **Additional Information/New Business
Committee of the Whole/City Council – November 14, 2022**

COMMITTEE OF THE WHOLE

Additional Information

1. Report R 125/2022 (Infrastructure & Operations – Engineering & Operations) relative to Enbridge Gas – Notice of Application.
2. Deputation request received from Brian Lennie, dated November 7, 2022, requesting to appear before Committee relative to Report R 125/2022 – Enbridge Gas – Notice of Application.
3. Report R 167/2022 (Infrastructure & Operations - Engineering & Operations) relative to James Whalen Tug Recovery.
4. Confidential Memorandum from Chantal Harris, Manager – Billings & Collections, dated October 26, 2022, relative to Report R 164/2022 (Corporate Services & Long Term Care – Revenue) Uncollectable Accounts, **distributed to Members of Council, City Manager, City Solicitor and General Manager – Corporate Services & Long Term Care and City Treasurer only.**

CITY COUNCIL

New Business

Establishment of Committee of the Whole Closed Session – Tuesday, November 15, Wednesday, November 16, Thursday, November 17, Tuesday, November 22, Wednesday, November 23, and Thursday, November 24, 2022

THAT a Committee of the Whole – Closed Session meeting be scheduled for Tuesday, November 15, Wednesday, November 16, Thursday, November 17, Tuesday, November 22, Wednesday, November 23 and Thursday, November 24, 2022 at 5:00 p.m. in order to receive information pursuant to the *Municipal Act* (Section 239) relative to:

(3.1) the purpose of educating or training the members relative to City Council orientation

Establishment of Committee of the Whole Closed Session – Tuesday, November 29, 2022

THAT a Committee of the Whole – Closed Session meeting be scheduled for Tuesday, November 29, 2022 at 4:30 p.m. in order to receive information pursuant to the *Municipal Act* (Section 239 (2)) relative to:

(b) personal matters about an identifiable individual, including municipal or local board employees;

Establishment of Committee of the Whole Closed Session – Monday, December 5, 2022

THAT a Committee of the Whole Closed Session meeting be scheduled for Monday, December 5, 2022 at 5:00 p.m. in order to receive information pursuant to the *Municipal Act* (section 239 (2)) relative to:

(a) the security of the property of the municipality or local board;

(f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose;

(i) a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;

(j) a trade secret or scientific, technical, commercial or financial information that belongs to the municipality or local board and has monetary value or potential monetary value; or

(k) a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

(3.1) the purpose of educating or training the members relative to City Council orientation

DEPARTMENT/ DIVISION	Infrastructure & Operations - Engineering	REPORT	R 125/2022
DATE PREPARED	11/02/2022	FILE	
MEETING DATE	11/14/2022 (mm/dd/yyyy)		
SUBJECT	Enbridge Gas - Notice of Application		

RECOMMENDATION

WITH RESPECT to Report R125/2022 (Infrastructure & Operations - Engineering), we recommend the form of draft by-law and franchise agreement, as appended to this report, be approved and authorizes the submission thereof to the Ontario Energy Board for approval pursuant to the provisions of Section 9 of the *Municipal Franchises Act*;

AND THAT a request be sent to the Ontario Energy Board to make an Order declaring and directing that the assent of the municipal electors to the attached draft by-law and franchise agreement pertaining to the Corporation of the City of Thunder Bay is not necessary pursuant to the provisions of Section 9(4) of the *Municipal Franchises Act*;

AND THAT any by-laws necessary be presented to City Council for ratification.

LINK TO STRATEGIC PLAN

This report supports the 2019-2022 Corporate Strategic Plan under the 'Renew' pillar to enable gas infrastructure to be constructed within the City's right-of-ways.

EXECUTIVE SUMMARY

The Corporation of the City of Thunder Bay has an existing Franchise Agreement with Union Gas Ltd., now Enbridge Gas Inc. allowing them access to city right-of-ways to construct and maintain gas infrastructure. This agreement is expiring. It is recommended that the Corporation enter a new 20 year agreement.

DISCUSSION

In 1979 the Corporation of the City of Thunder Bay and Northern and Central Gas Corporation Limited entered into a franchise agreement to distribute, store and transport

gas in the Municipality. This agreement was for a twenty year term. Extensions were granted to the agreement to August 13, 2002. During the extension period the Association of Municipalities of Ontario (AMO) established a working committee to review the Model Gas Franchise Agreement and met with the Gas companies to discuss and resolve a number of issues both sides had with the agreement. The Model Gas Franchise Agreement was amended to reflect the changes. Thunder Bay signed the Model Gas Franchise Agreement in February 2003.

The Model Gas Franchise Agreement has not materially changed. The term of the agreement is 20 years from the date of final passing of the by-law. If during the twenty year term of the Agreement the Model Franchise Agreement is changed, then on the 7th anniversary and on the 14th anniversary of the date of the passing of the by-law the Agreement shall be deemed to be amended to incorporate any changes.

The process to renew the agreement is for Council to approve a draft by-law and franchise agreement. Enbridge is expected to bring the application to the OEB, and provide notice to the public through the newspaper. The OEB would then hold a public hearing to authorize the terms, conditions, and period of the agreement, and dispense with the requirement of obtaining the assent of the electors. The by-law will then be brought back to Council for final approval and the old by-law repealed.

FINANCIAL IMPLICATION

There are no financial implications with this report.

CONCLUSION

It is concluded that Council should approve the draft by-law and franchise agreement attached and authorize the submission thereof to the Ontario Energy Board for approval pursuant to the provisions of Section 9 of the *Municipal Franchises Act*.

It is also concluded that Council request that the Ontario Energy Board make an Order declaring and directing that the assent of the municipal electors to the attached draft by-law and franchise agreement pertaining to the Corporation of the City of Thunder Bay is not necessary pursuant to the provisions of Section 9(4) of the *Municipal Franchises Act*.

BACKGROUND

At the April 12, 2002, Committee of the Whole, Report R 2002.102 (Transportation & Works) - Union Gas Franchise Agreement was presented, recommending that the Corporation of the City of Thunder Bay enter into the Gas Franchise Agreement with Union Gas.

By-Law 24-2003 – A By-law to authorize a Franchise Agreement between The Corporation of the City of Thunder Bay and Union Gas Limited was enacted and passed February 10, 2003.

REFERENCE MATERIAL ATTACHED:

Attachment A – Draft By-law XX-20XX A By-Law to authorize a Franchise Agreement between The Corporation of the City of Thunder Bay and Enbridge Gas Inc.

Attachment B – Draft Franchise Agreement between The Corporation of the City of Thunder Bay and Enbridge Gas Inc.

PREPARED BY: KAYLA DIXON, DIRECTOR ENGINEERING & OPERATIONS

THIS REPORT SIGNED AND VERIFIED BY: (NAME OF GENERAL MANAGER) Kerri Marshall, General Manager – Infrastructure & Operations	DATE: November 9, 2022
---	-------------------------------

THE CORPORATION OF THE CITY OF THUNDER BAY

BY-LAW NUMBER _____

**A BY-LAW TO AUTHORIZE A FRANCHISE AGREEMENT BETWEEN
THE CORPORATION OF THE CITY OF THUNDER BAY
and
ENBRIDGE GAS INC.**

WHEREAS the Council of the Corporation of the City of Thunder Bay deems it expedient to enter into the attached franchise agreement (the "Franchise Agreement") with Enbridge Gas Inc.;

AND WHEREAS the Ontario Energy Board by its Order issued pursuant to the *Municipal Franchises Act* on the _____ day of _____, 2022 has approved the terms and conditions upon which and the period for which the franchise provided in the Franchise Agreement is proposed to be granted, and has declared and directed that the assent of the municipal electors in respect of this By-Law is not necessary:

NOW THEREFORE the Council of the Corporation of the City of Thunder Bay enacts as follows:

1. **THAT** the Franchise Agreement between the Corporation of the City of Thunder Bay and Enbridge Gas Inc. attached hereto and forming part of this by-law, is hereby authorized and the franchise provided for therein is hereby granted.
2. **THAT** the Mayor and City Clerk be and they are hereby authorized and instructed on behalf of the Corporation of the City of Thunder Bay to enter into and execute under its corporate seal and deliver the Franchise Agreement, which is hereby incorporated into and forming part of this By-Law.
3. **THAT** the following by-law be hereby repealed:
 - By-law Number 24-2003 for the Corporation of the City of Thunder Bay, passed in Council on the 10th day of February, 2003.
4. **THAT** this by-law shall come into force and take effect on the date is it signed and sealed.

THE CORPORATION OF THE CITY OF THUNDER BAY

Albert Aiello, Acting Mayor

Krista Power, City Clerk

2000 Model Franchise Agreement

THIS AGREEMENT effective this day of , 2022

BETWEEN:

THE CORPORATION OF THE CITY OF THUNDER BAY

hereinafter called the "Corporation"

- and -

ENBRIDGE GAS INC.

hereinafter called the "Gas Company"

WHEREAS the Gas Company desires to distribute, store and transmit gas in the Municipality upon the terms and conditions of this Agreement;

AND WHEREAS by by-law passed by the Council of the Corporation (the "By-law"), the duly authorized officers have been authorized and directed to execute this Agreement on behalf of the Corporation;

THEREFORE the Corporation and the Gas Company agree as follows:

Part I - Definitions

1. In this Agreement

- (a) "decommissioned" and "decommissions" when used in connection with parts of the gas system, mean any parts of the gas system taken out of active use and purged in accordance with the applicable CSA standards and in no way affects the use of the term 'abandoned' pipeline for the purposes of the *Assessment Act*;
- (b) "Engineer/Road Superintendent" means the most senior individual employed by the Corporation with responsibilities for highways within the Municipality or the person designated by such senior employee or such other person as may from time to time be designated by the Council of the Corporation;

- (c) "gas" means natural gas, manufactured gas, synthetic natural gas, liquefied petroleum gas or propane-air gas, or a mixture of any of them, but does not include a liquefied petroleum gas that is distributed by means other than a pipeline;
- (d) "gas system" means such mains, plants, pipes, conduits, services, valves, regulators, curb boxes, stations, drips or such other equipment as the Gas Company may require or deem desirable for the distribution, storage and transmission of gas in or through the Municipality;
- (e) "highway" means all common and public highways and shall include any bridge, viaduct or structure forming part of a highway, and any public square, road allowance or walkway and shall include not only the travelled portion of such highway, but also ditches, driveways, sidewalks, and sodded areas forming part of the road allowance now or at any time during the term hereof under the jurisdiction of the Corporation;
- (f) "Model Franchise Agreement" means the form of agreement which the Ontario Energy Board uses as a standard when considering applications under the *Municipal Franchises Act*. The Model Franchise Agreement may be changed from time to time by the Ontario Energy Board;
- (g) "Municipality" means the territorial limits of the Corporation on the date when this Agreement takes effect, and any territory which may thereafter be brought within the jurisdiction of the Corporation;
- (h) "Plan" means the plan described in Paragraph 5 of this Agreement required to be filed by the Gas Company with the Engineer/Road Superintendent prior to commencement of work on the gas system; and
- (i) whenever the singular, masculine or feminine is used in this Agreement, it shall be considered as if the plural, feminine or masculine has been used where the context of the Agreement so requires.

Part II - Rights Granted

2. To provide gas service

The consent of the Corporation is hereby given and granted to the Gas Company to distribute, store and transmit gas in and through the Municipality to the Corporation and to the inhabitants of the Municipality.

3. To Use Highways

Subject to the terms and conditions of this Agreement the consent of the Corporation is hereby given and granted to the Gas Company to enter upon all highways now or at any time hereafter under the jurisdiction of the Corporation and to lay, construct, maintain, replace, remove, operate and repair a gas system for the distribution, storage and transmission of gas in and through the Municipality.

4. Duration of Agreement and Renewal Procedures

(a) If the Corporation has not previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law.

or

(b) If the Corporation has previously received gas distribution services, the rights hereby given and granted shall be for a term of 20 years from the date of final passing of the By-law provided that, if during the 20 year term of this Agreement, the Model Franchise Agreement is changed, then on the 7th anniversary and on the 14th anniversary of the date of the passing of the By-law, this Agreement shall be deemed to be amended to incorporate any changes in the Model Franchise Agreement in effect on such anniversary dates. Such deemed amendments shall not apply to alter the 20 year term.

(c) At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed franchise upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement. This shall not preclude either party from applying to the Ontario Energy Board for a renewal of the Agreement pursuant to section 10 of the *Municipal Franchises Act*.

Part III – Conditions

5. Approval of Construction

- (a) The Gas Company shall not undertake any excavation, opening or work which will disturb or interfere with the surface of the travelled portion of any highway unless a permit therefor has first been obtained from the Engineer/Road Superintendent and all work done by the Gas Company shall be to his satisfaction.
- (b) Prior to the commencement of work on the gas system, or any extensions or changes to it (except service laterals which do not interfere with municipal works in the highway), the Gas Company shall file with the Engineer/Road Superintendent a Plan, satisfactory to the Engineer/Road Superintendent, drawn to scale and of sufficient detail considering the complexity of the specific locations involved, showing the highways in which it proposes to lay its gas system and the particular parts thereof it proposes to occupy.
- (c) The Plan filed by the Gas Company shall include geodetic information for a particular location:
 - (i) where circumstances are complex, in order to facilitate known projects, including projects which are reasonably anticipated by the Engineer/Road Superintendent, or
 - (ii) when requested, where the Corporation has geodetic information for its own services and all others at the same location.
- (d) The Engineer/Road Superintendent may require sections of the gas system to be laid at greater depth than required by the latest CSA standard for gas pipeline systems to facilitate known projects or to correct known highway deficiencies.
- (e) Prior to the commencement of work on the gas system, the Engineer/Road Superintendent must approve the location of the work as shown on the Plan filed by the Gas Company, the timing of the work and any terms and conditions relating to the installation of the work.
- (f) In addition to the requirements of this Agreement, if the Gas Company proposes to affix any part of the gas system to a bridge, viaduct or other structure, if the Engineer/Road Superintendent approves this proposal, he may require the Gas Company to comply with special conditions or to enter into a separate agreement as a condition of the approval of this part of the construction of the gas system.

- (g) Where the gas system may affect a municipal drain, the Gas Company shall also file a copy of the Plan with the Corporation's Drainage Superintendent for purposes of the *Drainage Act*, or such other person designated by the Corporation as responsible for the drain.
- (h) The Gas Company shall not deviate from the approved location for any part of the gas system unless the prior approval of the Engineer/Road Superintendent to do so is received.
- (i) The Engineer/Road Superintendent's approval, where required throughout this Paragraph, shall not be unreasonably withheld.
- (j) The approval of the Engineer/Road Superintendent is not a representation or warranty as to the state of repair of the highway or the suitability of the highway for the gas system.

6. As Built Drawings

The Gas Company shall, within six months of completing the installation of any part of the gas system, provide two copies of "as built" drawings to the Engineer/Road Superintendent. These drawings must be sufficient to accurately establish the location, depth (measurement between the top of the gas system and the ground surface at the time of installation) and distance of the gas system. The "as built" drawings shall be of the same quality as the Plan and, if the approved pre-construction plan included elevations that were geodetically referenced, the "as built" drawings shall similarly include elevations that are geodetically referenced. Upon the request of the Engineer/Road Superintendent, the Gas Company shall provide one copy of the drawings in an electronic format and one copy as a hard copy drawing.

7. Emergencies

In the event of an emergency involving the gas system, the Gas Company shall proceed with the work required to deal with the emergency, and in any instance where prior approval of the Engineer/Road Superintendent is normally required for the work, the Gas Company shall use its best efforts to immediately notify the Engineer/Road Superintendent of the location and nature of the emergency and the work being done and, if it deems appropriate, notify the police force, fire or other emergency services having jurisdiction. The Gas Company shall provide the Engineer/Road Superintendent with at least one 24 hour emergency contact for the Gas Company and shall ensure the contacts are current.

8. Restoration

The Gas Company shall well and sufficiently restore, to the reasonable satisfaction of the Engineer/Road Superintendent, all highways, municipal works or improvements which it may excavate or interfere with in the course of laying, constructing, repairing or removing its gas system, and shall make good any settling or subsidence thereafter caused by such excavation or interference. If the Gas Company fails at any time to do any work required by this Paragraph within a reasonable period of time, the Corporation may do or cause such work to be done and the Gas Company shall, on demand, pay the Corporation's reasonably incurred costs, as certified by the Engineer/Road Superintendent.

9. Indemnification

The Gas Company shall, at all times, indemnify and save harmless the Corporation from and against all claims, including costs related thereto, for all damages or injuries including death to any person or persons and for damage to any property, arising out of the Gas Company operating, constructing, and maintaining its gas system in the Municipality, or utilizing its gas system for the carriage of gas owned by others. Provided that the Gas Company shall not be required to indemnify or save harmless the Corporation from and against claims, including costs related thereto, which it may incur by reason of damages or injuries including death to any person or persons and for damage to any property, resulting from the negligence or wrongful act of the Corporation, its servants, agents or employees.

10. Insurance

- (a) The Gas Company shall maintain Comprehensive General Liability Insurance in sufficient amount and description as shall protect the Gas Company and the Corporation from claims for which the Gas Company is obliged to indemnify the Corporation under Paragraph 9. The insurance policy shall identify the Corporation as an additional named insured, but only with respect to the operation of the named insured (the Gas Company). The insurance policy shall not lapse or be cancelled without sixty (60) days' prior written notice to the Corporation by the Gas Company.
- (b) The issuance of an insurance policy as provided in this Paragraph shall not be construed as relieving the Gas Company of liability not covered by such insurance or in excess of the policy limits of such insurance.
- (c) Upon request by the Corporation, the Gas Company shall confirm that premiums for such insurance have been paid and that such insurance is in full force and effect.

11. **Alternative Easement**

The Corporation agrees, in the event of the proposed sale or closing of any highway or any part of a highway where there is a gas line in existence, to give the Gas Company reasonable notice of such proposed sale or closing and, if it is feasible, to provide the Gas Company with easements over that part of the highway proposed to be sold or closed sufficient to allow the Gas Company to preserve any part of the gas system in its then existing location. In the event that such easements cannot be provided, the Corporation and the Gas Company shall share the cost of relocating or altering the gas system to facilitate continuity of gas service, as provided for in Paragraph 12 of this Agreement.

12. **Pipeline Relocation**

- (a) If in the course of constructing, reconstructing, changing, altering or improving any highway or any municipal works, the Corporation deems that it is necessary to take up, remove or change the location of any part of the gas system, the Gas Company shall, upon notice to do so, remove and/or relocate within a reasonable period of time such part of the gas system to a location approved by the Engineer/Road Superintendent.
- (b) Where any part of the gas system relocated in accordance with this Paragraph is located on a bridge, viaduct or structure, the Gas Company shall alter or relocate that part of the gas system at its sole expense.
- (c) Where any part of the gas system relocated in accordance with this Paragraph is located other than on a bridge, viaduct or structure, the costs of relocation shall be shared between the Corporation and the Gas Company on the basis of the total relocation costs, excluding the value of any upgrading of the gas system, and deducting any contribution paid to the Gas Company by others in respect to such relocation; and for these purposes, the total relocation costs shall be the aggregate of the following:
 - (i) the amount paid to Gas Company employees up to and including field supervisors for the hours worked on the project plus the current cost of fringe benefits for these employees,
 - (ii) the amount paid for rental equipment while in use on the project and an amount, charged at the unit rate, for Gas Company equipment while in use on the project,
 - (iii) the amount paid by the Gas Company to contractors for work related to the project,

- (iv) the cost to the Gas Company for materials used in connection with the project, and
 - (v) a reasonable amount for project engineering and project administrative costs which shall be 22.5% of the aggregate of the amounts determined in items (i), (ii), (iii) and (iv) above.
- (d) The total relocation costs as calculated above shall be paid 35% by the Corporation and 65% by the Gas Company, except where the part of the gas system required to be moved is located in an unassumed road or in an unopened road allowance and the Corporation has not approved its location, in which case the Gas Company shall pay 100% of the relocation costs.

Part IV - Procedural And Other Matters

13. Municipal By-laws of General Application

The Agreement is subject to the provisions of all regulating statutes and all municipal by-laws of general application, except by-laws which have the effect of amending this Agreement.

14. Giving Notice

Notices may be delivered to, sent by facsimile or mailed by prepaid registered post to the Gas Company at its head office or to the authorized officers of the Corporation at its municipal offices, as the case may be.

15. Disposition of Gas System

- (a) If the Gas Company decommissions part of its gas system affixed to a bridge, viaduct or structure, the Gas Company shall, at its sole expense, remove the part of its gas system affixed to the bridge, viaduct or structure.
- (b) If the Gas Company decommissions any other part of its gas system, it shall have the right, but is not required, to remove that part of its gas system. It may exercise its right to remove the decommissioned parts of its gas system by giving notice of its intention to do so by filing a Plan as required by Paragraph 5 of this Agreement for approval by the Engineer/Road Superintendent. If the Gas Company does not remove the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in any highway, the Corporation may remove and dispose of so much of the decommissioned gas system

as the Corporation may require for such purposes and neither party shall have recourse against the other for any loss, cost, expense or damage occasioned thereby. If the Gas Company has not removed the part of the gas system it has decommissioned and the Corporation requires the removal of all or any part of the decommissioned gas system for the purpose of altering or improving a highway or in order to facilitate the construction of utility or other works in a highway, the Gas Company may elect to relocate the decommissioned gas system and in that event Paragraph 12 applies to the cost of relocation.

16. Use of Decommissioned Gas System

- (a) The Gas Company shall provide promptly to the Corporation, to the extent such information is known:
 - (i) the names and addresses of all third parties who use decommissioned parts of the gas system for purposes other than the transmission or distribution of gas; and
 - (ii) the location of all proposed and existing decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas.
- (b) The Gas Company may allow a third party to use a decommissioned part of the gas system for purposes other than the transmission or distribution of gas and may charge a fee for that third party use, provided
 - (i) the third party has entered into a municipal access agreement with the Corporation; and
 - (ii) the Gas Company does not charge a fee for the third party's right of access to the highways.
- (c) Decommissioned parts of the gas system used for purposes other than the transmission or distribution of gas are not subject to the provisions of this Agreement. For decommissioned parts of the gas system used for purposes other than the transmission and distribution of gas, issues such as relocation costs will be governed by the relevant municipal access agreement.

17. Franchise Handbook

The Parties acknowledge that operating decisions sometimes require a greater level of detail than that which is appropriately included in this Agreement. The Parties agree to look for guidance on such matters to the Franchise Handbook prepared by the Association of Municipalities of Ontario and the gas utility companies, as may be amended from time to time.

18. **Other Conditions**

None.

19. **Agreement Binding Parties**

This Agreement shall extend to, benefit and bind the parties thereto, their successors and assigns, respectively.

IN WITNESS WHEREOF the parties have executed this Agreement effective from the date written above.

THE CORPORATION OF THE CITY OF THUNDER BAY

Per:

Albert Aiello, Mayor

Per:

Krista Power, City Clerk

ENBRIDGE GAS INC.

Per:

Mark Kitchen, Director
Regulatory Affairs

Per:

Nicole Lehto, Director
Northern Region Operations

Hello,

Please note the following response to Speak to City Council has been submitted at Monday November 7th 2022 9:55 PM with reference number 2022-11-07-012.

- **Please state what agenda item you would like to speak about:**
Renewing of the Municipal Franchise Agreement between the City of Thunder Bay and Enbridge Gas
- **What are you requesting from Council?**
other:
- **If other:**
Motion to approve the renewal of the Municipal Franchise Agreement
- **Have you already been in contact with City Administration in regards to the subject matter of your deputation request?**
Yes
- **If yes, what was the outcome?**
Report from Engineering to Council addressing the purpose of the agreement.
- **Please select the date of the meeting:**
Committee of the Whole - Monday, November 14, 2022
- **Please choose**
Mr
- **First name:**
Brian
- **Last name:**
Lennie
- **Email:**
Brian.lennie@enbridge.com
- **Phone:**
(226) 229-2692
- **Organization you represent: (optional)**
Enbridge Gas

- **Please note the names of the presenters that will be attending with you:**
Nicole Lehto - Nicole.lehto@enbridge.com and Michelle Samms - Michelle.samm@enbridge.com

DEPARTMENT/ DIVISION	Infrastructure & Operations - Engineering & Operations	REPORT	R 167/2022
DATE PREPARED	10/26/2022	FILE	
MEETING DATE	11/14/2022 (mm/dd/yyyy)		
SUBJECT	James Whalen Tug Recovery		

RECOMMENDATION

For Information Only.

EXECUTIVE SUMMARY

On Saturday, April 30th, 2022, during the spring ice break up, the 117-year-old James Whalen Tug took on water and sank within hours overnight in the Kaministiquia River. This report explains the circumstances of the emergency, actions taken and budgetary adjustments in accordance with the Procurement By-Law (11-2011) Article 5.03 Emergency Method for Goods and Services over \$60,000.

DISCUSSION

On Saturday April 30thst, 2022 the 117 year old James Whalen Tug took on water and sank in the Kaministiquia River directly adjacent the dock where it had been moored. The Coast Guard was immediately notified and regular monitoring of the emergency situation commenced in order to record any changes to the position of the vessel or potential environment impacts to the site. In addition to visual observations an engineering evaluation was completed to assess the risk of the vessel shifting position, and potential options to secure it in place using adjacent available structures.

Efforts to develop a plan to recover the tug began immediately, however it was soon identified that re-floating the tug would be a challenge due to the significant weight of the vessel. Once all options to deploy an immediate solution were exhausted Administration began work within the emergency procurement process identified in Procurement By-Law (11-2011) Article 5.03 Emergency Method for Goods and Services over \$60,000 to acquire a qualified Contractor to complete the work. In order to inform the scope of work, a dive inspection was completed and no signs of visible damage were found at the time. All other available records about the vessel and existing site were also compiled. The request for proposal was completed in July and was distributed

directly to local Contractors who had identified capacity and interest in the project. The project was also communicated on the Supply Management web site while it was being considered by the local Contractors.

Two proposal submissions were received August 4th with LH North being the successful low bid of \$896,090.00 inclusive of HST, which was subsequently awarded under emergency procurement procedure authority. The Contract included mobilization, vessel recovery/re-float, transport to temporary storage, and secure storage at a berth for up to two years. The project was completed the week of September 5th, which included use of a specialized heavy lift barge to re-float and transport the tug to a temporary dryland storage location at Patterson dock on the Kaministiquia River.

During the re-floating process visual observations confirmed that the hull of the vessel had developed a significant breach measuring approximately 100mm x 300mm, which had not been present the previous year and would have compromised the buoyancy of the vessel at the time of the spring thaw. Administration is in the process of evaluating the condition of the tug at its dry land storage location to inform a report to Council in the spring of 2024, which will outline the future options for the James Whalen Tug.

FINANCIAL IMPLICATION

This work is being funded through various parks capital carry forward accounts. Most notably, work on the Waverly fountain renewal will be further delayed.

The following table breaks down the project costs:

Contract Amount	\$896,090.00
HST Rebate	(\$89,133.20)
TOTAL	\$806,956.80

CONCLUSION

It is concluded that the project award required to re-float the James Whalen Tug was completed following emergency procurement procedures.

BACKGROUND

None.

REFERENCE MATERIAL ATTACHED:

None.

PREPARED BY: Cory Halvorsen, C.E.T. – Manager, Parks & Open Spaces

THIS REPORT SIGNED AND VERIFIED BY: (NAME OF GENERAL MANAGER) Kerri Marshall, General Manager – Infrastructure & Operations	DATE: November 9, 2022
---	-------------------------------