

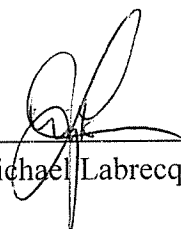


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Halifax Regional Council
February 13, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Michael Labrecque, P.Eng., Director, Transportation & Public Works

DATE: January 18, 2007

SUBJECT: Impact of Installation of Gas Pipelines on Streets

INFORMATION REPORT

ORIGIN

Item 9.1.3 raised at the December 5, 2006 meeting of Halifax Regional Council.

BACKGROUND

Council requested a report as follows.

Staff report requested on the paving standards that are in place for cuts being put in streets. What standard is HRM requiring Heritage Gas to use and the cost for using HRM streets. Is HRM using partnership opportunities, Is HRM paying 100% for curb or is natural gas paying, What is the effect on construction SDI ratings and priorities and how is that going to affect streets on the priority list, what is the effect on HRM costs. Further, the report to include whether the funds are returned to the District involved when Heritage Gas provides money for street repairs.

DISCUSSION

Following are responses to the questions raised:

What standard is HRM requiring Heritage Gas to use and the cost for using HRM streets?

Heritage Gas is required to restore pavement cuts at their cost in accordance with HRM specifications. Trenches must be backfilled and compacted properly with test results provided to verify results. An HRM inspector monitors the construction and Heritage Gas is responsible for any construction defects for one year.

Heritage Gas is required to pay a 'Future Settlement Charge' (FSC) for all trench cuts in the street. The amount of the FSC is 15% of the surface restoration costs. Funds from this charge are held in a separate account for future use on gas impacted streets.

Is HRM using partnership opportunities?

To the greatest extent possible, HRM and Heritage Gas are coordinating capital projects to ensure that gas pipelines are installed at the same time as other works on the street and that newly paved streets are not cut. Capital project lists are exchanged and reviewed as well as microsurfacing and other pavement treatment projects. There were several joint HRM/Heritage Gas projects in 2006 as well as in previous years.

Is HRM paying 100% for curb or is natural gas paying?

HRM does not pay for any curb replacement required as a result of natural gas installations. Such costs are fully the responsibility of Heritage Gas.

There may be occasion where HRM may wish to do some additional curb replacement in conjunction with a gas project, in which case, it would be HRM's cost.

What is the effect on construction SDI ratings and priorities and how is that going to affect streets on the priority list, what is the effect on HRM costs?

Clearly, the SDI pavement rating of a street will go down if the pavement is cut for a natural gas trench. The level of impact varies based on the existing condition of the pavement. For low SDI streets, the impact is low and the trench patch may even be an improvement. For higher SDI streets, the negative impact of the trench is greater. FSC is collected as compensation for the damage to the street.

Every effort is made to minimize impact by avoiding pavement routes and choosing lower SDI streets where possible. However, the reality is that, within the urban area, the pipelines wind-up in the pavement because it's the only available routing.

Gas pipeline installation has some effect on HRM pavement improvement priorities but this effect varies depending mainly on the level of improvement that the street requires. The FSC collected on a particular street would form a very small percentage (less than 2%) of the funding required for a major street reconstruction project if that was planned for the street. So the impact on moving the priority forward would be small as sufficient funding would not be available. If a lesser pavement treatment, such as a microsurfacing, was planned for the street, the gas FSC would have a more significant financial impact (roughly 10%) and the priority could potentially be moved forward.

Report to include whether the funds are returned to the District involved when Heritage Gas provides money for street repairs.

As indicated earlier, FSC funds collected for the natural gas project are held in a separate fund and are designated for use to upgrade the pavement on gas impacted streets. So the funds will be used within the District where natural gas pipelines have been installed. However it must be noted that FSC collected on a particular street would not be sufficient to reconstruct or resurface the entire street. Staff is currently reviewing possible street candidates within the Districts where the pipelines have been installed and will advise the relevant Councillor once the plan has been developed for 2007/08.

BUDGET IMPLICATIONS

There are no budget implications.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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