

Date: February 24, 2021

To: Chair and Members of General Committee

From: Geoff Wright, P.Eng, MBA, Commissioner of
Transportation and Works

Originator's files:

Meeting date:
March 10, 2021

Subject

Imperial Oil Waterdown-Finch Pipeline Replacement Project – Wards 3, 4, 6 and 8

Recommendation

That the report titled, "Imperial Oil Waterdown-Finch Pipeline Replacement Project – Wards 3, 4, 6 and 8", dated February 24, 2021 from the Commissioner of Transportation and Works, be received for information.

Report Highlights

- Imperial Oil is undertaking a project to replace significant portions of its existing pipeline from Hamilton to Toronto and traversing 16.5 km (10 miles) across the City of Mississauga.
- Leave to Construct the pipeline was afforded to Imperial Oil by the Ontario Energy Board in March, 2020.
- While much of the pipeline will be installed within existing Imperial Oil easements, Imperial Oil needs to secure additional easements and agreements with the City of Mississauga.
- Staff anticipates that these agreements will be permitted to be signed per the terms and conditions of the Delegation of Authority By-law.
- The pipeline construction will also be subject to a number of City approvals, including Road Occupancy Permits.
- Imperial Oil has awarded the contract and is constructing the pipeline from west to east. Construction is expected to take place in Mississauga between March and December of 2021.

Background

Imperial Oil Limited (Imperial) applied under section 90(1) of the *Ontario Energy Board Act*, 1998 (OEB Act) for Leave to Construct a 300 mm (12 inch) diameter pipeline to replace its existing pipeline from its facility in the City of Hamilton to its facility in the City of Toronto (the Project). The pipeline, approximately 63 km (39 miles) in length, will be used for the transportation of refined petroleum products. The existing pipeline, to be replaced as part of the Project, passes through the City of Mississauga within the Hydro/utility corridor along the east-west portions of Highway No. 403 and Eastgate Parkway – a distance of approximately 16.5 km (10 miles). The new pipeline will largely follow the same route of the existing pipeline and will be installed within its existing easements where feasible, or within new easements. A map showing the alignment of the proposed pipeline within Mississauga is provided in Appendix 1.

On May 6, 2019, the City provided notice to the Ontario Energy Board (OEB) requesting intervenor status to participate in these proceedings, which was granted on May 31, 2019. The City subsequently made written submissions to the OEB on September 20, 2019 proposing certain conditions for Project approval, including financial assurances, for fire, safety and emergency response programs to be in place, along with engineering and other land matters associated with the replacement and ongoing operations of the pipeline. The City made final submissions to the OEB on January 24, 2020.

On March 12, 2020 the OEB issued an Order granting Imperial permission to construct the requested pipeline. Many of the City's requirements were included in the OEB's approval of the Project. The Project is also subject to other federal and provincial regulations and agency approvals, including the Technical Standards and Safety Authority.

As part of the approval process, Imperial undertook a public engagement process, with outreach to landowners, government bodies, conservation authorities, Indigenous communities, the public, and other relevant stakeholders. In July and November of 2018, Imperial hosted two public information sessions in Mississauga, and engaged with the Mayor and local Councillors (Wards 3, 4, 6 and 8) regarding the Project. Additional communication and project details were issued with media outlets, including the *Mississauga News* and *Mississauga.com*.

In preparation for Imperial making its application to the OEB for the Leave To Construct, staff reviewed and approved a number of early agreements through delegated authority to permit Imperial to gather baseline information on City-owned lands to inform its construction plans, such as terrestrial and aquatic surveys, geotechnical studies, and archaeological and groundwater investigations.

Imperial has submitted a large volume of information to the City related to the construction, maintenance and operation of the pipeline, environmental protection measures, dewatering, safety protocols, noise mitigation, equipment storage, and emergency preparedness. Staff has reviewed this material, including the horizontal and vertical alignments of the pipeline where the City has property or infrastructure interests. Key areas of focus included:

- Impacts to existing and planned City roadway and transit assets along the pipeline route, including the Mississauga Transitway lanes, stations, parking and other related facilities;
- Crossings of existing and planned stormwater infrastructure, including impacts to existing storm sewers and ponds, future maintenance needs, and planned construction works; and
- Impacts to trails, soccer fields, trees and natural areas.

As part of this review by staff, the following critical terms and conditions have been communicated to Imperial:

- The pipeline shall have no above-ground components such as fencing, stand pipes, or above-ground valve compounds on any City-owned lands, with the exception of pipeline marker signs as specified;
- Imperial shall utilize its existing easements over City-owned lands where possible; and
- The appropriate agreements shall be prepared and executed to protect the City's interests where the pipeline crosses City-owned lands, roads, easements, licenses and other interests.

In addition to the above, staff has coordinated the submission of Imperial's proposed roadway crossing drawings to the Public Utilities Circulation Committee (PUCC) for its review to ensure compatibility and sufficient separation between services.

Comments

Imperial has awarded the construction contract for its Project and work has commenced in the municipalities west of Mississauga. Construction activities are expected to take place in Mississauga between March and December of 2021.

In constructing this pipeline, Imperial will use three different methodologies: open trench, jack and bore, and horizontal directional drilling (HDD). Open trench construction will be used for pipe placement at shallow depth, generally 1.5 m to 2.0 m (5 ft to 7 ft) below grade. Jack and bore techniques will be used where the pipeline is to be placed at relatively low depth below areas or infrastructure of concern, such as City roads. Horizontal directional drilling technology (HDD) will be used where the pipeline is to be installed at significant depth (15 m to 25 m, 50 ft to 80 ft) below grade and to avoid impacts to natural areas and built infrastructure such as roads, sewers, and other utilities. It is anticipated that the open trench and jack and bore construction operations will occur during normal working hours of 7:00 a.m to 6:00 p.m., while the HDD operations will be undertaken on schedules that span 24 hours per day.

Staff are working with Imperial on the necessary legal agreements to allow for construction access and pipeline installation on or across City-owned roads, lands, easements and other land interests. These agreements, based on their anticipated financial values, are expected to

be executed under the Delegation of Authority By-law, as the financial thresholds and other policy considerations are anticipated to be met. .

Subsequent to the agreements being finalized and executed, the construction of the pipeline will be subject to a number of City approvals, such as Road Occupancy Permits.

From a communications perspective, Imperial intends to issue construction notices to all directly adjacent landowners a minimum of two weeks in advance of commencing works.

Financial Impact

The agreements with Imperial have been negotiated to include terms and conditions to: (i) compensate the City for the value of land to be occupied by the pipeline and/or the Project construction activities, including road crossings, easements and licenses; (ii) repair, replace or compensate for impacts to City infrastructure, vegetation and other assets on City-owned lands, easements and licenses, and other considerations as applicable, incurred as a result of Imperial's Project construction activities; and (iii) pay fees as permitted under the Fees and Charges By-law to off-set staff's costs to prepare the agreements. The total value of these compensation items among the various agreements has not yet been finalized.

Over and above the compensation for anticipated impacts, Imperial has also agreed to provide the City with a standing Letter of Credit in the amount of \$5,000,000 as security for the City use to recover costs it may incur should any of its lands, infrastructure or other assets or operations be impacted by the Project and not reinstated, repaired or otherwise addressed by Imperial to the City's satisfaction.

Conclusion

Staff will continue to work with Imperial to complete all of the agreements necessary to allow Imperial's Project to proceed, to protect the City's infrastructure, and to compensate the City for its costs, revenue losses and land interests associated with the Project.

Attachments

Appendix 1: Imperial Oil Waterdown-Finch Pipeline Alignment across Mississauga



Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works

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