



# Corporate Report

NO: R002

COUNCIL DATE: January 19, 2009

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## REGULAR COUNCIL

TO: Mayor & Council DATE: January 12, 2009  
FROM: General Manager, Engineering FILE: 1706-017/H  
SUBJECT: 156 Street/ Highway 1 Underpass,  
Payment to Kinder Morgan for Lowering Pipeline

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## RECOMMENDATION

The Engineering Department recommends that Council authorize staff to make a payment of up to \$1,750,000, including GST, to Kinder Morgan Canada Inc. for lowering the Trans Mountain Pipeline as required by the 156 Street/Highway 1 Underpass Project with 60% of the payment to be recovered by the City from the Province.

## BACKGROUND

The Trans Mountain Pipeline (the "Pipeline") owned by Kinder Morgan Canada Inc. crosses the 156 Street road allowance on the north side of Highway No. 1 (see Appendix I). Construction of the 156 Street underpass of Highway No. 1 required that the Pipeline be lowered across 156 Street to allow 156 Street to pass under Highway No. 1. Kinder Morgan Canada Inc. has carried out the work based on agreement for cost recovery.

## DISCUSSION

The Pipeline transports a variety of petroleum products including gasoline and jet fuel. Due to safety concerns and the specialized nature of work, Kinder Morgan will only allow modifications to the Pipeline by means of either its in-house forces and/or contractors who specialize in this type of work and who customarily work with Kinder Morgan. Kinder Morgan agreed to lower their pipeline as required by the underpass project, on the basis of recovery of all associated costs and provided a cost estimate of \$1,641,000. Provision for this work including a contingency was included in the 156 Street Underpass project budget.

The 156 Street/Highway 1 Underpass is a partnership project between the City of Surrey and the Ministry of Transportation and Infrastructure and, under the North Surrey Interchanges Agreement, the Ministry is committed to funding 60% of project costs, which includes the pipeline relocation costs that are the subject of this report. The City's 40% share of the costs for this pipeline relocation work is available in the approved 2008 Engineering Budget.

The 156 Street Underpass project is currently approximately 85% complete, with the underpass structure fully completed. Traffic detours on Highway 1 have been removed. The project is on schedule with the underpass expected to be open for traffic in March 2009.

## **CONCLUSION**

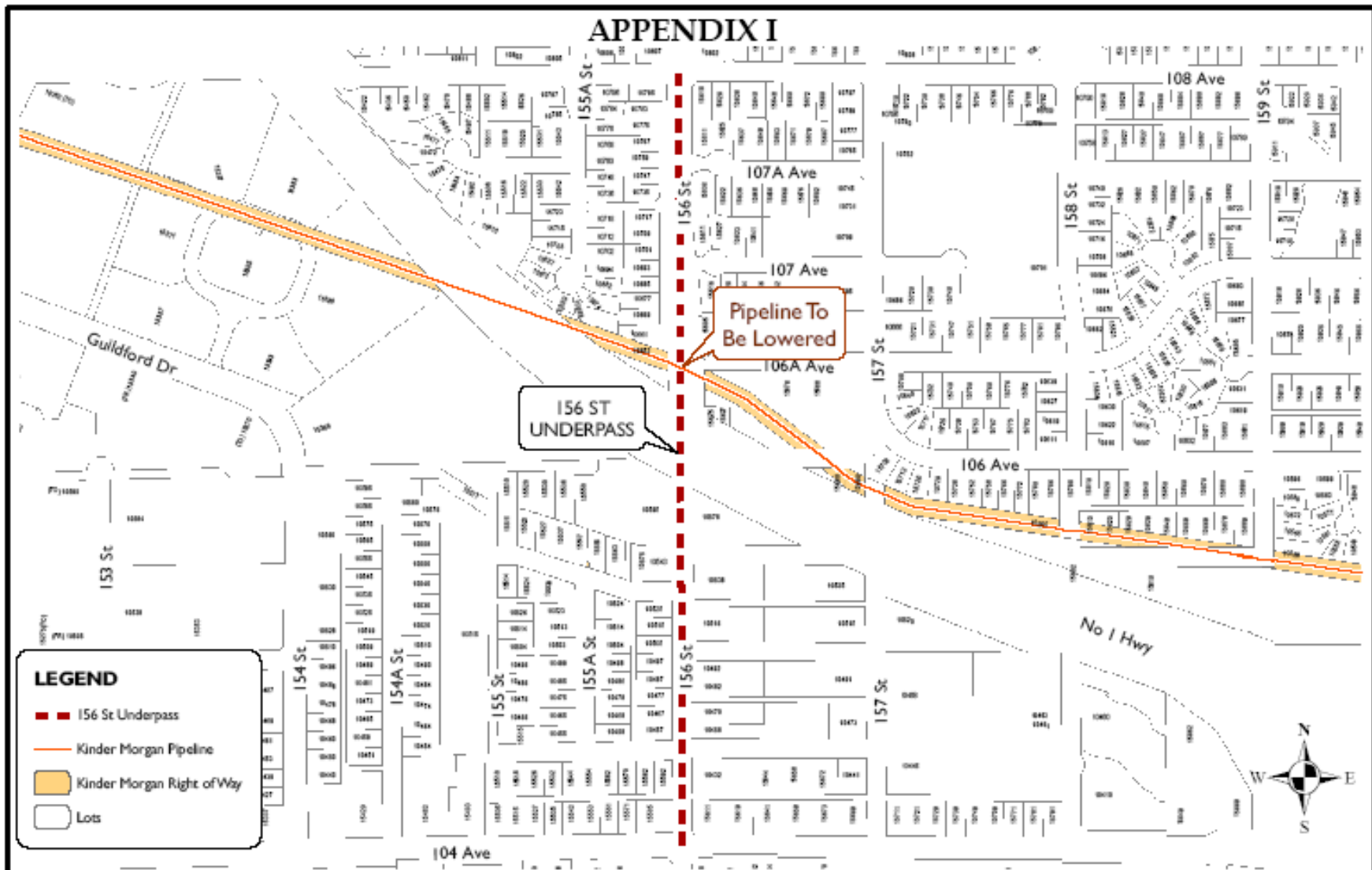
Based on the above discussion, it is recommended that Council authorize a payment of up to \$1,750,000, including GST, to Kinder Morgan Canada Inc. for lowering the Trans Mountain Pipeline as required by the 156 Street/Highway 1 Underpass Project with 60% of this amount to be recovered by the City from the Province.

Vincent Lalonde, P.Eng.  
General Manager, Engineering

KDZ/brb:kd

Appendix I – Realignment of Kinder Morgan Pipeline at 156 St./Hwy. 1 Underpass

# APPENDIX I



PRODUCED BY ENGINEERING, GIS SECTION: December 23, 2008, CS

Date of Aerial Photography: April 2008



## RE-ALIGNMENT OF KINDER MORGAN PIPELINE AT 156 ST/HWY 1 UNDERPASS

ENGINEERING  
DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey.  
This information is provided for information and convenience purposes only.  
Lot sizes, legal descriptions and circumstances must be confirmed at the Land Title Office.

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Corporate Reports\Eng-Utilities\  
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