

COUNCIL REPORT

M&C No.	2019-115
Report Date	May 07, 2019
Meeting Date	May 21, 2019
Service Area	Transportation and Environment Services

His Worship Mayor Don Darling and Members of Common Council

***SUBJECT: Enbridge Gas New Brunswick Inc. - Municipal Operating Agreement
(Alternative Form of Payment)***

OPEN OR CLOSED SESSION

This matter is to be discussed in open session.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
<i>Holly Young</i>	<i>Michael Hugenholtz</i>	<i>John Collin</i>

RECOMMENDATION

RESOLVED that the Mayor and Common Clerk be authorized to execute the Amending Agreement to the Municipal Operating Agreement between The City of Saint John and Enbridge Gas New Brunswick Inc. in the attached form.

EXECUTIVE SUMMARY

Enbridge Gas New Brunswick Inc. (Enbridge) has requested to amend their existing Municipal Operating Agreement with the City specifically with respect to their form of guarantee to cover restoration of City streets in relation to natural gas work.

PREVIOUS RESOLUTION

August 14, 2000: Resolved by Council to approve the submitted Municipal Operating Agreement with Enbridge, and authorize the Mayor and Common Clerk to execute the agreement.

STRATEGIC ALIGNMENT

Customer Service focused.

REPORT

Commencing on August 31st, 1999, the City entered into a Municipal Operating Agreement with Enbridge which covers the placement of natural gas mains and services within the City and, more specifically, Enbridge's obligations with respect to restoring/reinstating streets City streets to the satisfaction of the Chief City Engineer.

Article IV(1)(b) of the Agreement currently contemplates an annual Irrevocable Standby Letter of Credit to the City to guarantee the cost of restoration. Enbridge has requested other options for providing a guarantee in addition to the Irrevocable Standby Letter of Credit, namely by cash or certified bank cheque.

The matter has been considered by the Commissioner of Finance and the City Solicitor's Office and the recommendation included in this report is intended to facilitate the alternative forms of payment. The attached Amending Agreement captures the particulars of same.

SERVICE AND FINANCIAL OUTCOMES

No financial implications due to this change in deposit method.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

Input was provided by Finance and Administration, the City Solicitor's Office, Transportation and Environment Services, and Growth and Community Development – Infrastructure Development.

ATTACHMENTS

Schedule A - Municipal Operating Agreement

Schedule B - Amending Agreement - Municipal Operating Agreement