CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: Feb 25, 2016

Action Requested By: Water Pollution Control

Agenda Type: Resolution

Subject Matter:

Southern Natural Gas Company, L.L.C. Encroachment Stipulation Letter

Exact Wording for the Agenda:

Resolution authorizing the Mayor to agree to an encroachment stipulation letter between Southern Natural Gas Company L.L.C. and the City of Huntsville.

Note: If amendment, Please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what council action will provide, allow and accomplish and; any other information that might be helpful.

Access needed for the installation/construction of one 24" D.I.P. for the Polaris Sanitary Sewer project

Associated Cost: _____

Budgeted Item: _____

MAYOR RECOMMENDS OR CONCURS: _____

Department Head: Shane Cash

Date: 2-9-2016

ROUTING SLIP
CONTRACTS AND AGREEMENTS

Originating Department: **Water Pollution Control** Council Meeting Date: **2/25/2016**

Department Contact: **Shane Cook** Phone # **883-3719**

Contract or Agreement: **Southern Natural Gas Company, L.L.C.**

Document Name: **Encroachment Stipulation Letter between Southern Natural Gas L.L.C. and the City o...**

City Obligation Amount:

Total Project Budget:

Uncommitted Account Balance:

Account Number:

Procurement Agreements

Select...	**Select...**

Grant-Funded Agreements

Select...	**Grant Name:**

Department	Signature	Date
1) Originating	Shane Cook	2-9-16
2) Legal	Mary L. Cates	2-17-16
3) Finance	M Sanger	2-18-16
4) Originating		
5) Copy Distribution		
a. Mayor's office (1 copies)		
b. Clerk-Treasurer (Original & 2 copies)		

Revised 04/15/2011

RESOLUTION NO. 16-____

BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to enter into an Encroachment Stipulation Letter by and between the City of Huntsville and Southern Natural Gas Company L.L.C., on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as "Encroachment Stipulation Letter", consisting of six (6) pages, and the date of February 2, 2016, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

ADOPTED this the 25th day of February, 2016.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 25th day of February, 2016.

Mayor of the City of
Huntsville, Alabama

Southern Natural Gas Company, L.L.C.
a Kinder Morgan company

February 2, 2016

SENT VIA EMAIL:

Shane Cook, Interim Director
City Of Huntsville, Water Pollution Control
1800 Vermont Road
Huntsville, AL
shane.cook@huntsvilleal.gov

ENCROACHMENT STIPULATION LETTER

RE: City of Huntsville's Sewer Pipeline Crossing, Limestone County AL, T 4 S, R 3 W, Sec 33

Line/Tract: Line # 4111 Tract # 8

County: Limestone

State: Alabama

Dear Mr. Cook:

Southern Natural Gas Company L.L.C. ("Company") hereby acknowledges the receipt of that certain email from your office with the reference or subject line of "City of Huntsville Blasting/Sewer Encroachment Near Southern Natural Gas Pipeline" from Mr. Taylor Baker representing the City of Huntsville, Water Pollution Control ("City") dated 1/6/2016, including the plan depicted and attached thereto entitled "Polaris Sanitary Sewer/Gas Crossing, Madison Alabama" which is marked as Exhibit "A" and attached hereto and made a part hereof and hereinafter referred to as the "Encroachment". Said plan shows, describes, details, and/or depicts the proposed methods and specifications for the installation/construction of one 24" D.I.P. upon, over, under, within, or in close proximity to Company's pipeline and/or pipeline related facilities ("Company Facilities") on Company's easement or easements (whether one or more, "Company Easement") referenced by the tract number(s) above.

Company hereby grants approval of the plans and work referenced in Exhibit "A" attached hereto and made a part hereof, provided:

1. This letter is countersigned and a copy is returned to Company at the address listed below prior to commencement of any construction activity within the confines of the Company Easement. If this letter is not signed and returned to Company, Company's consent herein shall be withdrawn; no work will be authorized within the confines of the Company Easement.

2. The following conditions are observed:

   a. All work must comply with the plans referenced herein and attached hereto. Any changes to the design and/or construction must be pre-approved in advance by Company.

   b. Except as specifically set forth in Exhibit "A", City shall construct, own, operate, maintain, use and remove the Encroachment in accordance with Company's O&M Procedure 204 OM200-29 titled "Guidelines for Design and Construction near Kinder Morgan Operated Facilities," which is attached hereto as Exhibit "B" and made a part hereof. **A Company representative shall be on-site to monitor any construction activities within twenty-five (25) feet of Company Facilities or within the Company Easement.**

PRESIDENT OR PRESIDENT PRO TEM OF
THE CITY COUNCIL OF THE CITY OF
HUNTSVILLE, ALABAMA
DATE: 2/25/2016

c. At least three (3) business days prior to any work on or near Company Facilities and/or within the Company Easement, City, its contractor(s), subcontractor(s), and/or developer(s) must call Company's Robert Cooper, Damage Prevention Supervisor, at 334-606-9615. He will arrange to have a Company representative on-site while work is occurring.

d. Company requires that each contractor or subcontract associated with the Encroachment submit an Alabama One Call (8-1-1) Ticket for each different phase of the Encroachment that involves earth disturbance (grading, excavating, trenching, digging, etc.).

e. City shall be solely responsible for the construction, ownership, operation, maintenance, use and removal of the Encroachment and for any and all expenses including inspection fees incurred by Company and damage to Company Facilities or the Company Easement as a result of, in Company's sole opinion, City's activities upon the Company Easement. City shall, upon demand by Company, reimburse Company fully for any such expense or damage. To the extent authorized by and subject to the limitations of liability of municipalities imposed by Alabama state law, City agrees to indemnify and hold harmless Company, its parent, affiliates, agents, employees, contractors, and subcontractors and their respective successors and assigns (individually and collectively, the "Company Indemnitees"), against any claim, demand, or cause of action of any party directly related to (1) the existence of the Encroachment, (2) City's approved activities under this Stipulation letter, (3) City's breach of its obligations under this Stipulation Letter, or (4) any cause of action resulting from damage to Company Facilities or the Company Easement caused by City, its parent, affiliates, agents, employees, contractors or subcontractors.

f. The review and approval of this proposal shall only be valid for a period of one (1) year from the date of this letter.

g. All of the terms and conditions of the Company Easement shall remain in full force and effect.

h. The permission granted herein shall not be assignable, in whole or in part, without Company's express written consent.

i. This Stipulation Letter shall be binding upon and inure to the benefit of the parties hereto, including American's contractors, subcontractors, and developers, if any.

If you have any questions, please contact me by telephone at 205-325-3536, by e-mail at Javier_garcia@kindermorgan.com, or by mail at: Javier A Garcia, Sr. ROW Agent, Southern Natural Gas Company L.L.C., 569 Brookwood Village, Birmingham AL 35209.

Respectfully,

Javier A Garcia, SR/WA
Sr. Right of Way Agent
Southern Natural Gas Company L.L.C.

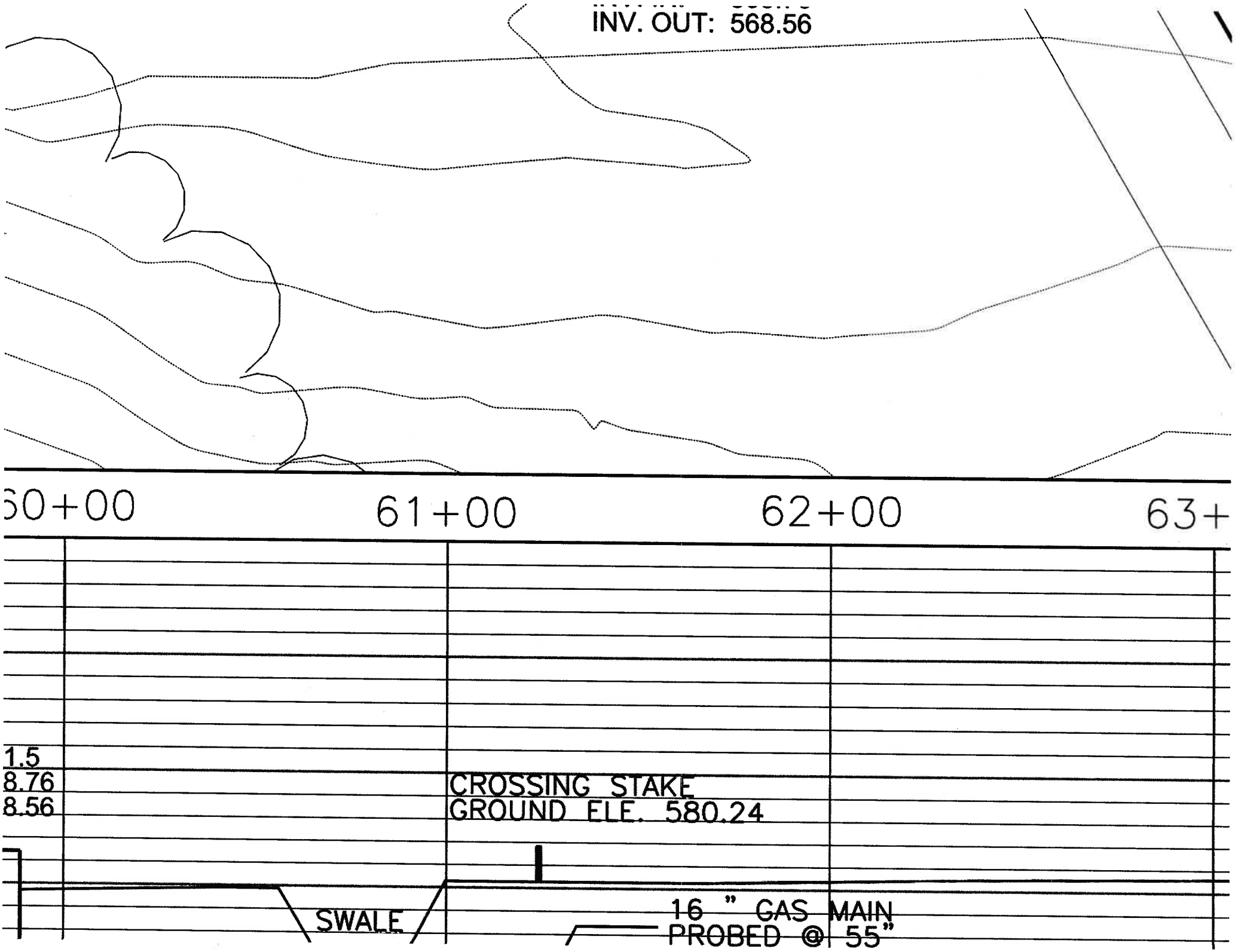
COUNTERSIGNED AND AGREED TO:

Signature

Tommy Battle
Name

City of Huntsville
Company

2/25/2016
Date


INV. OUT: 568.56
60+00
61+00
62+00
63+
1.5
8.76
8.56
CROSSING STAKE
GROUND ELE. 580.24
SWALE
16 " GAS MAIN
PROBED @ 55"

KINDER MORGAN

Guidelines for Design and Construction near Kinder Morgan Operated Facilities

EXHIBIT "B"

Name of Company: Southern Natural Gas Company L.L.C.

The list of design, construction and contractor requirements, including but not limited to the following, for the design and installation of foreign utilities or improvements on KM right-of-way (ROW) are not intended nor do they waive or modify any rights KM may have under existing easements or ROW agreements. Reference existing easements and amendments for additional requirements. This list of requirements is applicable for KM facilities on easements only. Encroachments on fee property should be referred to the Land and Right-of-Way Department.

Design

- KM shall be provided sufficient prior notice of planned activities involving excavation, blasting, or any type of construction on KM's ROW to determine and resolve any location, grade or encroachment problems and provide protection of our facilities and the public **before** the actual work is to take place.

- Encroaching entity shall provide KM with a set of drawings for review and a set of final construction drawings showing all aspects of the proposed facilities in the vicinity of KM's ROW. The encroaching entity shall also provide a set of as-built drawings showing the proposed facilities in the vicinity of KM's ROW.

- Only facilities shown on drawings reviewed by (Company) will be approved for installation on KM's ROW. All drawing revisions that effect facilities proposed to be placed on KM's ROW must be approved by KM in writing.

- KM shall approve the design of all permanent road crossings.

- Encroaching entity shall, at the discretion of the Kinder Morgan, Inc., incorporate Heath ATI "sniffer" Gas Detection Units in the design of paved areas or "Green Belt" areas of KM ROW. The units shall be installed per KM Standard **TYP-V-0100-B010**.

- Any repair to surface facilities following future pipeline maintenance or repair work by KM will be at the expense of the developer or landowner.

- The depth of cover over the KM pipelines shall not be reduced nor drainage altered without KM's written approval.

- Construction of any permanent structure, building(s) or obstructions within KM pipeline easement is **not** permitted.

- Planting of shrubs and trees is not permitted on KM pipeline easement.

- Irrigation equipment i.e. backflow prevent devices, meters, valves, valve boxes, etc. shall not be located on KM easement.

- Foreign line, gas, water, electric and sewer lines, etc., may cross perpendicular to KM's pipeline within the ROW, provided that a minimum of two (2) feet of vertical clearance is maintained between KM pipeline(s) and the foreign pipeline. Constant line elevations must be maintained across KM's entire ROW width, gravity drain lines are the only exception. Foreign line crossings below the KM pipeline must be evaluated by KM to ensure that a significant length of the KM line is not exposed and unsupported during construction. When installing underground utilities, the last line should be placed beneath all existing lines unless it is impractical or unreasonable to do so. Foreign line crossings above the KM pipeline with less than 2 feet of clearance must be evaluated by KM to ensure that additional support is not necessary to prevent settling on top of the KM natural gas pipeline.

- A foreign pipeline shall cross KM facilities at as near a ninety-degree angle as possible. A foreign pipeline shall not run parallel to KM pipeline within KM easement without written permission of KM.

- The foreign utility should be advised that KM maintains cathodic protection on their pipelines. The foreign utility must coordinate their cathodic protection system with KM's. At the request of KM, foreign utilities shall install (or allow to be installed) cathodic protection test leads at all crossings for the purposes of monitoring cathodic protection. The KM Cathodic Protection (CP) technician and the foreign utility CP technician shall perform post construction CP interference testing. Interference issues shall be resolved by mutual agreement between foreign utility and KM. All costs associated with the correction of cathodic protection problems on KM pipeline as a result of the foreign utility crossing shall be borne by the foreign utility for a period of one year from date the foreign utility is put in service.

- The metallic foreign line shall be coated with a suitable pipe coating for a distance of at least 10 feet on either side of the crossing unless otherwise requested by the KM CP Technician.
- AC Electrical lines must be installed in conduit and properly insulated.
- DOT approved pipeline markers shall be installed so as to indicate the route of the foreign pipeline across the KM ROW.
- No power poles, light standards, etc. shall be installed on KM easement.

Construction

- Contractors shall be advised of KM's requirements and be contractually obligated to comply.
- The continued integrity of KM's pipelines and the safety of all individuals in the area of proposed work near KM's facilities are of the utmost importance. Therefore, contractor must meet with KM representatives prior to construction to provide and receive notification listings for appropriate area operations and emergency personnel. **KM's on-site representative will require discontinuation of any work that, in his opinion, endangers the operations or safety of personnel, pipelines or facilities.**
- The Contractor must expose all KM transmission and distribution lines prior to crossing to determine the exact alignment and depth of the lines. A KM representative must be present. In the event of parallel lines, only one pipeline can be exposed at a time.
- KM will not allow pipelines to remain exposed overnight without consent of KM designated representative. Contractor may be required to backfill pipelines at the end of each day.
- A KM representative shall do all line locating. A KM representative shall be present for hydraulic excavation. The use of probing rods for pipeline locating shall be performed by KM representatives only, to prevent unnecessary damage to the pipeline coating.
- Notification shall be given to KM at least 72 hours before start of construction. A schedule of activities for the duration of the project must be made available at that time to facilitate the scheduling of Kinder Morgan, Inc.'s work site representative. Any Contractor schedule changes shall be provided to Kinder Morgan, Inc. immediately.
- Heavy equipment will not be allowed to operate directly over KM pipelines or in KM ROW unless written approval is obtained from (Company). Heavy equipment shall only be allowed to cross KM pipelines at locations designated by Kinder Morgan, Inc. Contractor shall comply with all precautionary measures required by KM to protect its pipelines. When inclement weather exists, provisions must be made to compensate for soil displacement due to subsidence of tires.
- Excavating or grading which might result in erosion or which could render the KM ROW inaccessible shall not be permitted unless the contractor/developer/owner agrees to restore the area to its original condition and provide protection to KM's facility.
- A KM representative shall be on-site to monitor any construction activities within twenty-five (25) feet of a KM pipeline or aboveground appurtenance. The contractor **shall not** work within this distance without a KM representative being on site. Only hand excavation shall be permitted within a minimum of 18 inches (refer to state specific rules/regulations regarding any additional clearance requirements) of KM pipelines, valves and fittings. However, proceed with extreme caution when within three (3) feet of the pipe.
- Ripping is only allowed when the position of the pipe is known and not within ten (10) feet of KM facility unless company representative is present. .
- Temporary support of any exposed KM pipeline by Contractor may be necessary if required by KM's on-site representative. Backfill below the exposed lines and 12" above the lines shall be replaced with sand or other selected material as approved by KM's on-site representative and thoroughly compacted in 12" lifts to 95% of standard proctor dry density minimum or as approved by KM's on-site representative. This is to adequately protect against stresses that may be caused by the settling of the pipeline.
- No blasting shall be allowed within 1000 feet of KM's facilities unless blasting notification is given to KM including complete Blasting Plan Data. A pre-blast meeting shall be conducted by the organization responsible for blasting.

KM shall be indemnified and held harmless from any loss, cost of liability for personal injuries received, death caused or property damage suffered or sustained by any person resulting from any blasting operations undertaken within 500 feet of its facilities. The organization responsible for blasting shall be liable for any and all damages caused to KM's facilities as a result of their activities whether or not KM representatives are present. KM shall have a signed and executed Blasting Indemnification Agreement before authorized permission to blast can be given.

No blasting shall be allowed within 300 feet of KM's facilities unless blasting notification is given to KM a minimum of one week before blasting. *(note: covered above)*KM shall review and analyze the blasting methods. A written blasting plan shall be provided by the organization responsible for blasting and agreed to in writing by KM in addition to meeting requirements for 500' and 1000' being met above. A written emergency plan shall be provided by the organization responsible for blasting. *(note: covered above)*

- **Any** contact with any KM facility, pipeline, valve set, etc. shall be reported immediately to KM. If repairs to the pipe are necessary, they will be made and inspected before the section is re-coated and the line is back-filled.
- KM personnel shall install all test leads on KM facilities.
- Burning of trash, brush, etc. is not permitted within the KM ROW.

Insurance Requirements

- All contractors, and their subcontractors, working on Company easements shall maintain the following types of insurance policies and minimum limits of coverage. All insurance certificates carried by Contractor and Grantee shall include the following statement: "Kinder Morgan and its affiliated or subsidiary companies are named as additional insured on all above policies (except Worker's Compensation) and waiver of subrogation in favor of Kinder Morgan and its affiliated or subsidiary companies, their respective directors, officers, agents and employees applies as required by written contract." **Contractor shall furnish Certificates of Insurance evidencing insurance coverage prior to commencement of work and shall provide thirty (30) days notice prior to the termination or cancellation of any policy.**

1. Statutory Coverage Workers' Compensation Insurance in accordance with the laws of the states where the work is to be performed. If Contractor performs work on the adjacent on navigable waterways Contractor shall furnish a certificate of insurance showing compliance with the provisions of the Federal Longshoreman's and Harbor Workers' Compensation Law.
2. Employer's Liability Insurance, with limits of not less than **$1,000,000** per occurrence and **$1,000,000** disease each employee.
3. Commercial General Liability Insurance with a combined single limit of not less than **$2,000,000** per occurrence and in the aggregate. All policies shall include coverage for blanket contractual liability assumed.
4. Comprehensive Automobile Liability Insurance with a combined single limit of not less than **$1,000,000.** If necessary, the policy shall be endorsed to provide contractual liability coverage.
5. If necessary Comprehensive Aircraft Liability Insurance with combined bodily injury, including passengers, and property damage liability single limits of not less than **$5,000,000** each occurrence.
6. Contractor's Pollution Liability Insurance this coverage shall be maintained in force for the full period of this agreement with available limits of not less then **$2,000,000** per occurrence.
7. Pollution Legal Liability Insurance this coverage must be maintained in a minimum amount of **$5,000,000** per occurrence.