Agenda – Council – February 25, 2021

Report – Standing Policy Committee on Protection, Community Services and Parks – February 10, 2021

Item No. 2 Fire Protection Services Agreement with Husky Energy Limited as owner of Pounder Emulsions

STANDING COMMITTEE RECOMMENDATION:

On February 17, 2021, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection, Community Services and Parks and submitted the following to Council:

1. That the City provide fire protection services to Husky Energy Limited as owner of Pounder Emulsions for the Pounder Emulsions facility located at 2800 Day Street in the Rural Municipality of Springfield, for the period from the date of execution of the agreement to December 31, 2023, per the terms and conditions, attached as Appendix A.

2. That the City enter into, execute and deliver a service agreement with Husky Energy Limited as owner of Pounder Emulsions and the Ancillary Agreements, and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing.

3. That the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of the service provision agreement, in accordance with this report and such other terms and conditions determined necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Protection, Community Services and Parks – February 10, 2021

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 17, 2021, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection, Community Services and Parks and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On February 10, 2021, the Standing Policy Committee on Protection, Community Services and Parks concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Fire Protection Services Agreement with Husky Energy Limited as owner of Pounder Emulsions**

Critical Path: Standing Policy Committee on Protection, Community Services and Parks – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Reshaur	J. Lane	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

Pounder Emulsions is located at 2800 Day Street, Springfield, Manitoba. This facility is located near the City of Winnipeg eastern boundary. Pounder Emulsions is owned and operated by Husky Energy Inc. Pounder Emulsions manufactures and stores asphalt emulsion and other hazardous flammable chemicals in significant quantities.

On October 22, 2018 Provincial 911 contacted Winnipeg 911 to request mutual aid to fight a fire at Pounder Emulsions. The request originated from the RM of Springfield Fire Department. The fire involved the large outdoor storage tanks and rail car off load infrastructure. The fire was beyond the capacity of the Springfield Fire Department to control and they were requesting emergency assistance.

The Winnipeg Fire Paramedic Service (WFPS) attended the incident and immediately upgraded the response to include a very significant portion of the WFPS on duty resources. In addition, assistance was requested from the Winnipeg Airport Authority Fire Department and the Department of National Defense.
The large quantity of hazardous products contained within this facility make it possible any future fire or hazardous goods related incident will also impact beyond the municipal boundaries of the facility and Rural Municipality of Springfield, significantly impacting the citizens of Winnipeg. For this reason, any major incident at this location may require a WFPS response.

The WFPS is best positioned to respond in a well-equipped and timely manner to incidents at this location.

Entering into a fire services agreement with Husky Energy Limited as owner of Pounder Emulsions to provide fire services to the Pounder Emulsions facility is in the best interests of the local community and the citizens of Winnipeg.

RECOMMENDATIONS

1. That the City provide fire protection services to Husky Energy Limited as owner of Pounder Emulsions for the Pounder Emulsions facility located at 2800 Day Street in the Rural Municipality of Springfield, for the period from the date of execution of the agreement to December 31, 2023, per the terms and conditions, attached as Appendix A.

2. That the City enter into, execute and deliver a service agreement with Husky Energy Limited as owner of Pounder Emulsions and the Ancillary Agreements, and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing.

3. That the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of the service provision agreement, in accordance with this report and such other terms and conditions determined necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

4. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to enter into a multi-year agreement with Husky Energy Limited as owner of Pounder Emulsions for the provision of fire protection services outside City limits.

IMPLICATIONS OF THE RECOMMENDATIONS

There would be no appreciable increase in departmental costs to provide this service as WFPS estimates that this service can be provided with existing resources. Additional revenue would be received in the amount of the negotiated contract.

HISTORY/DISCUSSION

On March 22, 2000 Council directed the Administration to divest itself of contracts for the provision of fire protection services outside the City of Winnipeg except for fire protection services to Border Chemical's property at 595 Gunn Road in the R.M. of Springfield and one other location that was approved by Council.

The Pounder Emulsions facility is located near Border Chemical.

On October 22, 2018 Provincial 911 contacted Winnipeg 911 to request mutual aid to fight a fire at Pounder Emulsions. The request originated from the RM of Springfield Fire Department. The fire involved the large outdoor storage tanks and rail car off load infrastructure. The fire was beyond the capacity of the Springfield Fire Department to control and they were requesting emergency assistance.

The Winnipeg Fire Paramedic Service (WFPS) attended the incident and immediately upgraded the response to include a very significant portion of the WFPS on duty resources. In addition, assistance was requested from the Winnipeg Airport Authority Fire Department and the Department of National Defense. Both had airport fire crash trucks with high volume foam capacity. In portions of Transcona that were impacted residents were advised to secure in place, schools were notified and those closest to the incident evacuated, area civic facilities were closed and a large-scale general evacuation of a significant portion of Transcona was considered prior to the fire being successfully extinguished.

Due to the nature of the business conducted at the Pounder Emulsions facility and its proximity to the City of Winnipeg boundary, WFPS resources would be utilized to mitigate any major incident on that property. The formal agreement allows the WFPS to be compensated for the provision of this service.

The WFPS already provides emergency medical response to the Pounder Emulsions facility property as it lies within the boundaries for WFPS ambulance service.

Subject to Council approval WFPS has negotiated the terms and conditions of the agreement with Husky Energy Limited as owner of Pounder Emulsions, included as Appendix A.

FINANCIAL IMPACT

Financial Impact Statement

Date: January 15, 2021

Project Name:

Fire Protection Services Agreement with Husky Energy Limited as owner of Pounder Emulsions

First Year of Program **2021**

	2021	2022	2023	2024	2025
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	23,305	28,525	29,096	-	-
Net Cost/(Benefit)	$ (23,305)	$ (28,525)	$ (29,096)	$ -	$ -
Less: Existing Budget Amounts	$ (23,305)	(28,525)	(29,096)	-	-
Net Budget Adjustment Required	$ -	$ (0)	$ 0	$ -	$ -

Additional Comments:

Revenue arising from this contract will be applied against the fire suppression revenue expectation currently budgeted within the department. 2021 assumes coverage from 1st March 2021 and will be prorated should the agreement be delayed. The financial impact statement does not consider any response cost recovery which will be on a full cost recovery basis, should a fire event arise.

original signed by

John Hall FCMA, CGMA
Financial Controller
Fire Paramedic Service

CONSULTATION

This Report has been prepared in consultation with:

Legal Services Department (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

01-2b Emergency Preparedness, Response and Recovery, Direction 1- Provide Emergency Fire/Rescue and Pre-Hospital Paramedical Response- Collaborate and communicate with other governments and agencies on … logistical support and joint preparedness. The Gunn Road facility is located on the City of Winnipeg's eastern Boundary. The products contained within the facility make it likely any major incident will impact both the citizens of Winnipeg and the RM of Springfield. The WFPS is best positioned to respond in a well-equipped and timely manner to incidents at this location. Response to this location will involve notification of and coordination with the RM of Springfield.

01-2b Emergency Preparedness, Response and Recovery, Direction 1- Provide Emergency Fire/Rescue and Pre-Hospital Paramedical Response - Improve community safety through risk reduction. The Gunn Road facility is located on the City of Winnipeg's eastern Boundary. The hazardous products contained within the facility make it likely any major incident will impact the citizens of Winnipeg. The Gunn Road facility will be subject to the provisions of the WFPS- Fire Prevention Industrial Inspection Program and will be inspected by WFPS Fire Prevention Officers.

01-2b Emergency Preparedness, Response and Recovery, Direction 2- Prepare For Disasters and Emergencies. Research and prepare plans and procedures for emergency response. Border Chemicals Contracting for fire protection services with the WFPS will include inspection of the facility and creation of an incident response pre-plan.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Winnipeg Fire Paramedic Service
Division: Executive
Prepared by: Mark Reshaur, Assistant Chief Fire Prevention and Public Education
Date: January 15, 2021
File No:

Attachments:
Appendix A: Terms and Conditions

Appendix A: Terms and Conditions

Term	• Date of execution of agreement to December 31, 2023 • Either party may terminate the agreement for any or no reason upon six months' notice in writing.
Services	• WFPS shall provide emergency services to Husky Energy Limited as owner of Pounder Emulsions related to all types of fires including vehicle fires and grass fires which threaten Pounder Emulsions property. • WFPS Fire Prevention Branch shall conduct fire inspections of the Pounder Emulsions facility in accordance with the existing schedule for Industrial Occupancy Fire Inspections.
Payment	• Husky Energy Limited as owner of Pounder Emulsions shall pay an annual stand-by charge of $27,965.95 (2021 rate), which can be paid in two installments of 50% of the annual fee each on or before January 1 and July 1 in each year of the agreement. • The annual stand-by charge shall be subject to a 2% annual increase. • Standard apparatus response charges calculated from the time each call is received until the time the apparatus is back in service shall be paid within 30 days of the invoice from the City. These charges are subject to change based on the Fees and Charges Schedule approved by City Council annually. • The reasonable cost of any supplies used by the City for the purpose of providing fire protection services to the Day Street facility. • Any applicable GST.
Renewal	• Husky Energy Limited as owner of Pounder Emulsions shall give notice in writing of its intention to renew not less than 12 months prior to the end of the term. • Any renewal is subject to City Council approval.

Indemnity	• The City agrees to indemnify Husky Energy Limited and Pounder Emulsions from any and all losses, claims, damages, causes of action, demands or liabilities related to this agreement arising by virtue of
	  ○ The breach or default of the City of any term;
	  ○ The negligence or willful misconduct of the City;
	  ○ Any claim resulting from any representative of the City, except as may be attributed to the negligence of willful misconduct of any representative of Pounder Emulsions or Husky Energy Limited.