



The Town of Niagara-On-The-Lake

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Report:	CS-16-032	Committee Date:	October 17, 2016
		Due in Council:	October 24, 2016
Report To:	Corporate Services Advisory Committee		
Subject:	Local Authority Service - Sewer and Water Line Warranty Program for Grinder Pumps		

1. RECOMMENDATION

It is respectfully recommended that:

- 1.1. Council approve reimbursement of the annual cost of the external sewer line warranty program provided by the Local Authority Service - Sewer and Water Line Warranty Program to assist the original property owners (that have not changed ownership) that were equipped with grinder pumps to lift sewage into the St. Davids Sanitary Sewer system, identified in the attached Appendix A to this report.

2. PURPOSE / PROPOSAL

The purpose of this report is to seek Council's approval to reimburse the annual cost of the external sewer line warranty program provided by the Local Authority Service - Sewer and Water Line Warranty Program to assist the original property owners that were equipped with grinder pumps to lift sewage into the St. Davids Sanitary Sewer sanitary sewer system, identified in the attached Appendix A.

3. BACKGROUND

The St. Davids Sanitary Sewer Project was the result of an investigation by the Niagara Region Public Health Department on the state of the private septic systems in St. Davids. More than 40% of the existing septic systems were found to have tanks and beds that were leaching into the environment and requiring replacement. However many of the properties, due to the size of property and a change in standards, became ineligible for new septic systems. A Municipal Class Environmental Study recommended that the Town install a sanitary sewer system to connect the affected area in St. Davids to an existing wastewater treatment plant in Niagara Falls to rectify the environmental problem.

In 2004, the Town received notice from the Federal and Provincial governments

that funding was available for the St. Davids Sanitary Sewer Project. Staff proceeded with a Request for Proposal for the design and construction of the sanitary sewer. The cost of the new sewer project was to be shared equally between the Federal, Provincial, and Municipal governments. The Town's portion of the cost was debentured and an area-specific development charge was implemented for future development in St. Davids to cover the debt charges.

Due to the topography in the area and the amount of gravity sewers required to service the area, the project quickly became cost prohibitive. To mitigate costs, it was suggested that the 98 properties identified in the study be equipped with grinder pumps to lift sewage into the proposed sanitary sewer system. Since the initial installation, some of the grinder pumps have failed and on October 9, 2012, Council received a delegation from St. Davids Ratepayers Association requesting that this issued be rectified.

In October 2012, through report #PW-12-048, Council did approve a Grinder Pump Replacement Program to assist residents with failing grinder pumps but Council and the residents of St. Davids continue to seek a more permanent solution to this issue.

4. DISCUSSION / ANALYSIS

Recently, the Town has been made aware of the new Local Authority Service (LAS) Sewer and Water Line Warranty Program. LAS is a preferred provider of competitive and sustainable cooperative business services for Ontario municipalities and the broader public sector. LAS helps its municipal customers "save money, make money, and build capacity". LAS was created in 1992 by the Association of Municipalities of Ontario (AMO).

The newly created LAS - Sewer and Water Line Warranty Program provides residents with the opportunity for a low cost warranty program that will help repair, replace, or restore critical sewer and water line laterals between the mainlines and connections on residential private property, which is the owners responsibility but is often perceived as the Town's responsibility. As an LAS preferred service partner, Service Line Warranties of Canada (SLWC) is offering these warranty programs to any Ontario municipality, large or small, with a standard water/wastewater rate structure. To participate in the program, the Town is required to endorse the program, which allows SLWC to effectively market the program to all Town residential property owners with no cost to the Town. The signed agreement, attached to this report, is for a three year term with an automatic renewal for one year unless either party provides written notice 90 days prior to the end of the term. With the SLWC program, all work is performed by licensed, local contractors, to ensure a timely response for participants of the program.

Staff recognize this program as having a benefit to all Town residents to protect them against sewer or water breaks on their property. SLWC will first market the

external sewer line warrantee program, to be followed by the external water line warrantee program in the spring, and then the in-home plumbing warrantee program in winter. The cost for each warranty program will be approximately \$70 annually.

To assist the original property owners that were equipped with grinder pumps to lift sewage into the new St. Davids Sanitary Sewer sanitary sewer system, identified in the attached Appendix A, staff are recommending that they be reimbursed for the cost of external sewer line warranty program provided by the LAS upon receipt of proof of payment. As part of the agreement, the Town will receive a 5% rebate of revenue generated from the participation in the program by the Town's residential property owners. The rebate will be used to fund the reimbursement. If the rebate does not cover the full cost of the reimbursement, the reimbursement will be funded through wastewater rates. Individuals purchasing homes with existing grinder pumps or new builds requiring grinder pumps are not eligible for reimbursement by the Town, but will be provided information on the LAS - Sewer and Water Line Warranty Program for their consideration.

Option 2 would not be staff's preferred solution as there is no way to accurately budget for failing grinder pumps.

5. OPTIONS

Council is presented with the following options for consideration:

Option 1 – Council approve reimbursement of the annual cost of the external sewer line warranty program offered by Local Authority Service - Sewer and Water Line Warranty Program for the original property owners. This program will assist the original property owners that were equipped with grinder pumps to lift sewage into the St. Davids Sanitary Sewer system, as identified in the attached Appendix A. There are approximately 47 of the original 98 owners that qualify. If all properties listed in Appendix A sign on to the external sewer line warrantee program, the annual cost of the reimbursement may be as high as \$3,300 annually. At this time, this is a 3 year program.. **(as recommended)**

Option 2 – Council may choose a percentage of the cost to replace and install grinder pumps, as they fail, for the original properties listed in Appendix A upon receipt of proof of payment. The cost to replace and install a grinder pump is approximately between \$3,000 and \$5,000 per grinder pump. The full annual cost is difficult to estimate as the Town does not know how many pumps will fail each year. The current number of original owners is 47.

Option 3 - That Council defer a decision and give direction to staff to research the cost of removing Grinder Pumps entirely in the St. Davids area.

Option 4 - That Council choose not to reimburse the 47 original owners for any compensation related to Grinder Pumps.

6. FINANCIAL IMPLICATIONS

The annual cost to reimburse all properties listed on Appendix A for their warrantee program will be approximately \$3,300. The cost will be covered by wastewater rates but may be offset by the 5% rebate generated from the participation in the program by the Town's residential property owners.

7. COMMUNICATIONS

There are no formal communications required by approval of this report as SLWC will provide residents of Niagara-on-the-Lake with marketing materials for all warrantee products.

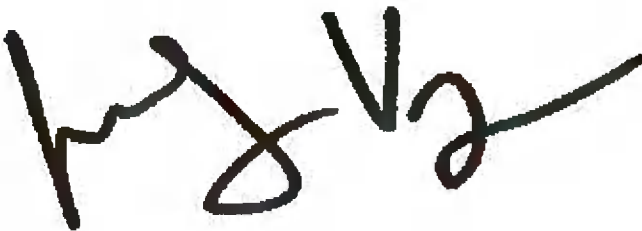
8. CONCLUSION

Council has asked staff to investigate a cost effective solution to the grinder pump situation in St. Davids. Staff is pleased to provide Town residents with the option to participate in the LAS Sewer and Water Line Warranty Program and reimburse those original property owners as noted on Appendix A.

Prepared by,



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Jeff Vyse,
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Respectfully submitted,



Holly Dowd
Director of Corporate Services / Town Clerk



Milena Avramovic
Chief Administrative Officer



CS-16-032 Appendix A.pdf

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