Agenda – Council – January 23, 2008

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – January 8, 2008

Item No. 3 Financial Assistance for Private Wastewater Sewer Connection Replacements
File WS

STANDING COMMITTEE RECOMMENDATION:

On January 16, 2008, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submits the following to Council:

1. That the requirement for the property owner to make a financial contribution towards the cost of the repair or renewal of their private wastewater sewer of the portion located within the public street be eliminated effective February 1, 2008.

2. That the Water and Waste Department continue to improve effectiveness through changes in administrative processes with respect to the timeliness of repairs or replacements of private wastewater sewer connections.

3. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary by-laws for submission to Council.

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 Infrastructure Renewal and Public Works – January 8, 2008

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 16, 2008, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On January 8, 2008, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

RE: REVIEW OF POLICY ON FINANCIAL ASSISTANCE FOR PRIVATE WASTEWATER SEWER CONNECTION REPLACEMENTS

FOR SUBMISSION TO: The Standing Policy Committee on Infrastructure Renewal and Public Works

ORIGINAL REPORT SIGNED BY: Barry D. MacBride, P. Eng
Director, Water and Waste Department

REPORT DATE: December 5, 2007

RECOMMENDATION:

1. That the requirement for the property owner to make a financial contribution towards the cost of the repair or renewal of their private wastewater sewer of the portion located within the public street be eliminated effective February 1, 2008.

2. That the Water and Waste Department continue to improve effectiveness through changes in administrative processes with respect to the timeliness of repairs or replacements of private wastewater sewer connections.

3. That the City Solicitor be instructed to prepare the necessary By-Laws for submission to Council.

Report Summary

Key Issues:

1. Attention was drawn to the Schedule “B” contained in Sewer By-law No. 7070/97 sewer connection repair process in the summer of 2007 as a result of some customers being without sewer service for a protracted length of time.

2. There has been a general increase in the number of property owners experiencing difficulties in securing a licensed contractor to perform private wastewater sewer repairs or replacements due to the increased construction activities, specific to the sewer and water construction industry, within the City of Winnipeg.

3. Property owners are often unaware that they own and are responsible for the maintenance of their private sewer connection from the building to the connection at the common sewer main.

4. In 2007, due to the increased construction activities within the City of Winnipeg, licensed contractors have experienced difficulties in obtaining clearances from

the various utility companies in an expeditious manner thus causing delays in the repair or replacement of private wastewater sewer connections.

5. The Water and Waste Department has instituted process improvements to shorten the time it takes to effect repairs.

6. The City of Winnipeg, of fourteen other major cities surveyed, is the only city that requires the property owner to make a financial contribution towards the cost of the repair or replacement of the private wastewater sewer service within the public street.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

	None
X	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment(s):

Policy Implications

X	No
	Yes

Comment(s):

Regulatory Implications

	None
	Eliminates or reduces regulatory impact
X	Proposes regulatory impact

Comment(s): Requires an amendment to Sewer By-law 7070/97

Environmental Implications

X	None
	Yes

Comment(s):

Human Resources Implications

	No
X	Yes

Comment(s): To provide an increase in the level of service to property owners in the administration of Schedule “B”, staff allocation will increase by one (1) FTE. To be budgeted in 2009.

Financial Implications

	Within approved current and/or capital budget
X	Current and/or capital budget adjustment required

Comment(s): Current budget will increase by the amounts equivalent to what would have previously been paid by the property owner through their contribution.

Report

REASON FOR THE REPORT:

On July 3, 2007, Standing Policy Committee on Infrastructure Renewal and Public Works requested the Administration to report back on amending Schedule "B" contained in Sewer By-law No. 7070/97 to facilitate the process for the repair or replacement of wastewater sewer services within the public street.

HISTORY:

On July 25, 1984 Council passed By-law 3792/84 which amended former Sewer by-law 505/73 to provide financial assistance to owners of single family dwellings or owner occupied duplex units for repair or replacement of sewer connections within the streets' right-of-ways, where the cost of remedial works exceed the sum of $500.00.

Council concurred with an EPC recommendation on February 25, 2004 to amend Sewer By-law 7070/97 to extend the financial assistance program for private wastewater sewer repairs or replacements for all properties whereby the City would continue to pay for repairs or replacements of wastewater sewer connection for single family dwellings and owner occupied duplex units of the costs in excess of $500.00 and for all other business properties (including multi-family and rental properties) the City would pay the cost in excess of $1000.00.

On November 24, 2004, Council passed By-law 179/2004 as an amendment to Sewer By-law 7070/97, to include financial assistance for all business properties which took effect on January 1, 2005. Appendix "A" as attached.

DISCUSSION:

Background

The premise of City of Winnipeg sewer by-laws and policies dating back in excess of 80 years, has been that it is the property owner's responsibility to install and maintain

sewer connection piping between all buildings and common (public) sewers. Part of the rationale for assigning ownership and responsibility for the sewer service connection to the City's common sewer was that the property owner has control over the material discharged through the sewer connection which could affect its performance and service life. This responsibility was also consistent with the regulations of the municipalities and cities which were amalgamated to form the new City of Winnipeg in 1972. The property owner actually owns the piping system in its entirety, even though a portion of it is located within the public street.

Current Assistance Program

The financial assistance program for repair or replacement of wastewater sewer connections has been maintained by the City since 1984 through its various sewer by-laws. The program is currently in effect under Sewer By-law 7070/97. Subsection 13(7) and Schedule "B" of By-law 7070/97 regulates the property owners' responsibility for wastewater sewer connections, including the subject financial assistance program. Schedule "B" is contained in Appendix A of this report.

The program's financial assistance was only designed to be available for repairs or replacements of sewer connections within the public street, where excavation is required to restore the service. This condition was meant to provide financial assistance to the property owner for the more costly portion of remedial works to a sewer connection, which would normally be in the public street as opposed to in private property. Also, the incidence of sewer connection failure is higher within the public street than on private property, hence the by-law was designed to provide assistance where the need was greatest.

In the financial assistance program adopted by Council in July, 1984, assistance to owners of single family dwellings or owner occupied duplex units is provided. The program was specifically developed in response to the high number of complaints received about the cost of repairing wastewater sewer connections. There was concern about the financial hardship that single family dwelling owners were facing for sewer connection repairs. The financial assistance program, as previously mentioned, has since been extended to include assistance for all properties.

What is done in Other Canadian Cities?

As previously reported, fourteen other Canadian cities, as listed in Appendix "B", were contacted in 2003 about their policies on repair or replacement of sewer connections. This was undertaken to assist Council in their deliberations to extend the assistance program to all property types. The analysis revealed that:

1. Only the City of Winnipeg requires the property owner to contribute an amount towards the cost of a repair or renewal of their private wastewater sewer service within the public street.

2. Only two of the jurisdictions, Toronto and Portage La Prairie exclude business/commercial properties from financial assistance.

3. In all fifteen (15) cities studied, sewer connection maintenance on private property, for all types of property remains with the property owner.

Cost of Current Program

Following are the annual Schedule B expenditures for reimbursement to property owners for the repair or replacement of their private sewer connections, over the past five years:

Year	Number of Repairs/ Replacements	Cost	Average
2003	68	$292,514.56	$4,301.68
2004	91	$498,825.05	$5,481.59
* 2005	78	$608,580.02	$7,802.31
2006	55	$391,291.06	$7,114.38
** 2007	81	$780,531.33	$9,636.19

* Sewer By-law 7070/97 was amended to include all properties on January 1, 2005.
** As of October 31, 2007

Following is a comparison of expenditures for reimbursement to property owners by property type since the By-law was amended on January 1, 2005:

		2005	2006	2007
Residential	No. of Repairs / Replacements	62	38	66
	Cost	$ 406,183.74	250,711.75	575,232.46
	Average	$ 6,551.35	6,597.68	8,715.64
	Property Owner's Contribution	$ 31,000.00	19,000.00	33,000.00
Business / Commercial	No. of Repairs / Replacements	16	17	15
	Cost	$ 202,396.28	140,579.31	205,298.87
	Average	$ 12,649.77	8,269.37	13,686.59
	Property Owner's Contribution	$ 16,000.00	17,000.00	15,000.00
	Total Property Owner's Contribution	**$ 47,000**	**36,000**	**48,000**

Elimination of Property Owner's Contribution

To be eligible for the Schedule "B" financial assistance program, property owners are required to arrange and pay for two attempts from cleaning contractors to liberate the blockage. With changes made to Schedule "B" in 2005, property owners may also be required to arrange and pay for a sewer video inspection. With sewer cleaning costs averaging $150.00 and sewer video inspection costs of $200.00, property owners can spend $500.00 (2 cleanings at $150.00 each plus video inspection at $200.00) in order to qualify for the program. This being in addition to a $500.00 contribution in the case of a single family dwelling or duplex dwelling of which one half is owner occupied or $1000.00 for business/commercial properties, should it lead to the need for a repair or renewal within the public street.

Many of the property owners that are impacted by a sewer service interruption requiring the repair or replacement of their sewer service within the public street can become extremely agitated when made aware of their ownership and maintenance responsibilities. Firstly, because they are often not aware that they are responsible for the portion of the wastewater sewer within the public street and secondly, that they are required to contribute an amount towards the cost of the repair or renewal within the provisions of Schedule "B".

The City of Winnipeg is the only jurisdiction amongst fourteen surveyed in 2003 that requires the property owner to contribute an amount towards the repair or replacement of a private wastewater sewer service.

In consideration of the costs being incurred by the property owner to become eligible for financial assistance for a repair or replacement of the wastewater sewer service within the public street and to bring Winnipeg in line without other major cities, it is recommended that the requirement for the property owner to pay a portion of the repair or replacement costs of the wastewater sewer service within the public street be eliminated.

Administrative Changes Undertaken in 3rd Quarter 2007

The failure of a private wastewater sewer connection is unpredictable given that the majority of private wastewater sewer connections are not maintained on a regular basis by the respective property owner. This is due in part to the consideration that many property owners are not aware of their ownership and maintenance responsibilities and only become aware of such when there is a problem.

In many of these situations, the failure of the sewer service can happen without any notice and in some situations; the property owner can almost instantly be without the use of their sewer service. The need to have service restored as quickly as possible is paramount. Depending on the number of persons residing in the house, the nature of

the business, or the inability for the owner to make alternate arrangements for use of facilities, the problem can be compounded and the degree of urgency.

To assist property owners with the repair or replacement of their private wastewater sewer connections, the Water and Waste Department has implemented the following administrative changes as it relates to the financial assistance program:

- Information on ownership and maintenance responsibilities for private wastewater sewer connections has been added to the Water and Waste Department's web-site and separate inserts for each customer are in the process of being sent out with quarterly water bills. Due to billing cycles and the need to send out information on 2008 rates, the information on sewer connections will not reach all customers until spring 2008.

- Increased the level of assistance to property owners in the selection of licensed contractors whereby property owners are no longer required to solicit estimates directly using a list of licensed contractors, but rather department staff will do so for them.

- Department staff meets with sewer cleaning contractor on-site to inspect the work performed, observe details of cleaning efforts, and confirm location of problem area.

- The department is developing a process with one of the major utilities whereby staff of the Water and Waste Department can now arrange for emergency clearances on behalf of the licensed contractor in advance of the time it takes to determine which contractor will be doing the work.

With these changes, which have taken place over the last six (6) months, the department has been able to effectively improve the level of response time in the repair or replacement of private wastewater sewers and has ultimately improved customer satisfaction. However, it should be noted that the timeframe to complete these repairs can still be between four to seven days depending on the individual circumstances.

Future Considerations

Administrative changes made in 2007 have had a positive effect on the timeliness of sewer repairs and replacements. The Water and Waste Department recommends continuing with these changes through 2008 while continuing to monitor the effectiveness of the changes and to determine what further enhancements can be made.

Such considerations might include a provision for contracting the work to a single contractor (or a limited number of contractors) whereby this contractor would be on

“stand by” if and when a property owner qualifies for the financial assistance program and as soon as an owner is qualified, the contractor would immediately proceed with the repair or replacement. The timing of the contractor’s schedule would still be subject to arranging for clearances by the various utilities and/or the department would continue to arrange for clearances on the contractors behalf.

The department will also consider authorizing repair work to be undertaken on weekends and holidays, however the process enhancements and implications to staff and contracting resources are still under investigation.

FINANCIAL IMPACT:

The following financial impact statement for this project has been prepared in accordance with the recommendation adopted by Council on December 13, 2000.

Financial Impact Statement

Date: November 30, 2007

Project Name: Schedule "B" Financial Assistance for Wastewater Sewer Connections

First Year of Program **2008**

	2008	2009	2010	2011	2012
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 698,000	$ 761,000	$ 794,000	$ 817,000	$ 838,000
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 698,000	$ 761,000	$ 794,000	$ 817,000	$ 838,000
Less: Existing Budget Amounts	650,000	650,000	680,000	700,000	720,000
Net Budget Adjustment Required	$ 48,000	$ 111,000	$ 114,000	$ 117,000	$ 118,000

Additional Comments: The net budget adjustment required includes the portion of the costs currently being recovered from customers as well as, beginning in 2009, the salary and benefits costs of the required additional FTE. The funds will be referred to future years Budget Process.

"Original signed by L. Fisher, C.A. for"
Moira L. Geer, C. A.
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Legal Services Division

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Water and Waste Department
Engineering Division
Prepared by: M. Shkolny, P. Eng./D. Shaw, C.E.T.
File No. WW/020-17-07-07-00

Appendix "A"

THE CITY OF WINNIPEG

BY-LAW NO. 179/2004

A By-law of THE CITY OF WINNIPEG to amend By-law No. 7070/97, being the "Sewer By-law".

THE CITY OF WINNIPEG, in Council assembled, enact as follows:

1. By-law No. 7070/97 is hereby amended by deleting Section 13(7) thereof and substituting therefore the following:

"13(7) Cost of Installation and Maintenance

(a) The *Owner* of the *premises* serviced is responsible for the cost of installation and maintenance, including replacement, of every *sewer* from the *premises* to the *common sewer*.

(b) Upon application to the *City*, an *owner* may receive financial assistance from the *City* for the repair or renewal costs of a *wastewater sewer* under the City *street*, in accordance with the provisions of Schedule "B"."

2. By-law No. 7070/97 is hereby further amended by deleting Schedule "B" thereof and substituting therefore the following:

"SCHEDULE "B"

This is Schedule "B" to By-law No. 7070/97 of The City of Winnipeg.

In accordance with Subsection 13(7) of this by-law, the *City* shall bear that portion of the reasonable costs of repair or replacement of a *wastewater sewer* exceeding the sum of $500.00 for owner occupied single family dwellings or a duplex unit one half of which is owner occupied and exceeding the sum of $1,000.00 for all other properties, as approved by the *Sewer Utility* and subject to the following:

(1) The *City's* financial contribution shall only apply to repairs that require excavation of the *wastewater sewer* that is made within the public *street*.

(2) No financial contribution shall be made by the *City* for the purpose of cleaning or other maintenance work which may be required to restore a *wastewater sewer* to use after blockage.

(3) To be eligible for financial assistance, an *owner* shall notify the *Sewer Utility* prior to excavation of the *wastewater sewer* and shall:

(a) provide, where possible, a maintenance history of the *wastewater sewer* with dates and costs to the satisfaction of the *Sewer Utility*; and

(b) undertake, at his/her own expense, an additional attempt to liberate the *wastewater sewer*, without excavation, if so requested by the *Sewer Utility*; and

(c) undertake, at his/her own expense, a sewer video inspection showing the current condition of the *wastewater sewer* piping, if so requested by the *Sewer Utility*; and

(d) provide access, at reasonable times, to the property for inspection.

(4) Payment may be authorized by the *Sewer Utility* only when:

(a) the blockage in the *wastewater sewer* cannot be liberated satisfactorily by auguring from within the property, or

(b) there have been at least four occurrences of the need for the cleaning of the *wastewater sewer* with a frequency exceeding once in nine months, as evidenced by receipts to be provided.

(5) Where one *wastewater sewer* is shared by two or more owner occupied residential premises, only one deductible of $500.00 will be charged on a pro-rata basis.

(6) Where one *wastewater sewer* is shared by two or more residential premises, none of which are owner occupied, there will be only one deductible of $1,000.00 charged on a pro-rata basis.

(7) Where one *wastewater sewer* is shared by one or more owner occupied residential premises and other property, only one deductible of $500.00 will be charged on a pro-rata basis in respect of residential premises and only one deductible of $1,000.00 will be charged on a pro-rata basis in respect of other property"

3. This By-law shall be deemed to have come into force as of the 1st day of January, 2005.

DONE AND PASSED in Council assembled, this 24th day of November, 2004.

Appendix “B”

The following cities were contacted in 2003 about their policies on repair or replacement of private sewer connections:

- Brampton
- Brandon
- Calgary
- Edmonton
- Medicine Hat
- Mississauga
- Ottawa
- Portage La Prairie
- Regina
- Saskatoon
- Selkirk
- Thunder Bay
- Toronto
- Vancouver