



TO: GENERAL COMMITTEE

SUBJECT: SANITARY LATERAL REPLACEMENT GRANT PROGRAM

WARD: ALL

PREPARED BY AND KEY CONTACT: A. FOSTER A.SC.T, CRS
SUPERVISOR, ROADS OPERATIONS EXT. 4831

SUBMITTED BY: D. FRIARY, DIRECTOR OF ROADS, PARKS AND FLEET

NOTED: C. MILLAR, MBA, CPA, CGA
DIRECTOR OF FINANCE AND TREASURER

GENERAL MANAGER APPROVAL: A. MILLER, RPP
GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the Sanitary Lateral Replacement Grant Program approved under motion 18-G-170 become a permanent policy with the following amendments:
 - a) That effective immediately, the policy regarding the responsibility for sewer connections approved under motion 72-G-303 be amended by adding the following: "Unless an object introduced to the sewer lateral from the building is the cause of the blockage the property owner shall be eligible to receive a grant funded from the Wastewater Rate equivalent to costs incurred for the replacement or repair of failed sewer laterals where the blockage or failure occurs in the portion of the connection from the property line to the sewer main and the repair or replacement has been undertaken under the direction of the City of Barrie. This provision also applies to sewer replacements undertaken pursuant to the policy approved under motion 94-G-339 concerning Bituminous Fibre Pipe".
2. That as part of the 2020 Business Plan and Budget the following paragraphs be considered:
 - a) An increase to the Roads, Parks and Fleet Department complement of one permanent full-time Roads Operations Foreperson at a cost of \$121,791 to continue the Sanitary Lateral Replacement Grant Program and be funded from the Wastewater Rate Budget.
 - b) A net increase of \$216,800 be applied to the Roads, Parks and Fleet Department's 2020 Contracted Services budget and be funded from the Wastewater Rate Budget to fund the Sanitary Lateral Replacement Grant Program;
 - c) A new Capital project - Sanitary Lateral Replacement Grant Program Vehicle at a cost of \$50,000 be added to the 2020 Capital Budget to be funded from the Wastewater Capital Reserve; and
 - d) A total operating cost of the Sanitary Lateral Replacement Grant Program totalling \$1,011,791 be recovered through an increase to the 2020 Wastewater Rate.

PURPOSE & BACKGROUND

3. This report is to provide information pertaining to the Sanitary Lateral Replacement Grant Program.
4. The Sanitary Lateral Replacement Grant Program was adopted by Council motion 18-G-170 on June 25, 2018 as follows.

“Feasibility of Policy Change Related to Sewer Connection Ownership

1. That effective immediately, the policy regarding the responsibility for sewer connections approved under motion 72-G-303 be amended by adding the following: “Unless an object introduced to the sewer lateral from the building is the cause of the blockage the property owner shall be eligible to receive a grant funded from the Wastewater Rate Capital Reserve equivalent to costs incurred for the replacement or repair of failed sewer laterals where the blockage or failure occurs in the portion of the connection from the property line to the sewer main and the repair or replacement has been undertaken under the direction of the City of Barrie. This provision also applies to sewer replacements undertaken pursuant to the policy approved under motion 94-G-339 concerning Bituminous Fibre Pipe”.
2. That an increase to the Roads, Parks and Fleet Department complement of a 12 month full-time Foreperson and an eight month Civil Coop Student resource be approved to implement the new policy.
3. That staff in Roads, Parks and Fleet Department report back to General Committee after the first full year of implementation of the new policy. (RPF009-18)”
5. The following process was recommended by staff and approved by Council.

Abbreviated Process for Sewer Lateral Repair and Grant

- a) The property owner would contact a plumber to determine the cause and location of the issue by clearing the blockage and inspecting the sanitary lateral with a CCTV camera.
- b) If the issue was a collapsed or damaged sewer requiring repair or replacement between the property line and the sewer main and the property owner was seeking reimbursement from the City for repair or replacement costs, the homeowner would be required to send the CCTV inspection video (at a cost of approximately \$500/occurrence) to the City.
- c) City staff would review the video to confirm where the blockage or failure had occurred (whether the blockage or failure was between the building and the property line or between the property line and the sewer main). If determined by video inspection that the blockage is under City property and caused by structural issues, the City would reimburse up to \$500 for the investigation and video inspection.
- d) If the blockage or failure was between the property line and the sewer main, the City would coordinate repairs through a contractor and a grant would be provided to the property owner for these costs. The City would pay the invoice associated with the work and up to \$500 for the cost of the investigation and video inspection.
- e) If the blockage or failure was between the property line and the building or the blockage was caused for a foreign object introduced to the system, the homeowner would be responsible for the costs including the investigation and video inspection and a grant would not be provided to the property owner.

ANALYSIS

6. As of September 10, 2019, 46 sanitary laterals have been replaced or repaired under the program at a total cost of \$622,000 since January 1, 2019. Repairs generally come in on a weekly basis, so we anticipate an additional 20 repairs to be completed or scheduled for the remainder of 2019. Based on average costs per repair, the contracted services portion of the program is anticipated to cost \$890,000 by the end of the 2019 fiscal year. There is currently \$660,000 budgeted for contracted services in 2019. All costs above include the plumbing services rebate.
7. Costs of the program are higher than budgeted. A larger number of winter repairs were conducted than anticipated. Costs were higher due to ground frost penetration that doubled and tripled the time normally taken to make a repair during normal conditions. Temporary reinstatement of asphalt, curb and sidewalk until final restoration could be completed also increases the cost of winter work. Three (3) of the winter repairs completed cost \$35,000 to \$42,000 which increased the costs of the average repair during the winter. These three (3) repairs were also complicated due to depth, ground water and underground utility conflicts. Typically, winter repairs were in the range of \$20,000 to \$25,000. Other costly repairs include those under arterial roads requiring substantial traffic control and utility conflicts. Current average replacement costs are \$12,000 to \$15,000.
8. Roads, Stormwater and Rail Operations incurred additional staff costs and contracted services costs due to having to re-video and locate all of the sanitary laterals that were inspected by private plumbing contractors. Plumbing contractors typically do not locate the pipe defect on the surface so City staff need to attend to locate the sanitary lateral prior to replacement or to confirm the defect location. In order to determine whether or not the defect is under City lands, a locate is required to be completed and to physically undertake the work. Several videos supplied were inconclusive which lead to further investigation and inspection by City staff. In two (2) cases, private plumbing contractors failed to clear grease blockages. The City did not seek to recover costs in any of the instances above. Often residents already have incurred multiple plumbing calls and the associated financial impact and are further inconvenienced by having to make an additional appointment to allow City staff into their home. Additional staff costs incurred are not included with the total cost of the program. Staff will investigate hiring a plumbing contractor to conduct further investigations and locates when they are required.
9. Rather than issuing plumbing rebates and to reduce the duplication of the CCTV work above, the City could add two (2) additional staff and bring all sanitary lateral inspections in house. The City could also complete some more routine repairs in house rather than contracting them out to help control contracted services costs. City staff can complete routine repairs at about 60% less cost than contractors. These two (2) staff members would be assigned other maintenance duties and winter control duties when not completing sanitary lateral work. Costs associated with this are included in the Financial section of the report under 'Option B'.
10. Approximately 52% of the repairs completed were bituminous fibre pipe (BF). The City has an existing policy (94-G-339) to replace BF pipe laterals between the sewer main the property line at no cost to the homeowner. The replacement of BF laterals has more than doubled since the start of the Grant Program than in previous years. It is assumed that advertising of the replacement program has brought forth the increase in repairs. Whenever City staff respond to a possible blocked sewer call, the affected resident is given a pamphlet with information about the replacement program. Furthermore, BF sanitary lateral replacements represent approximately 50% of the total current expenditures of the Sanitary Lateral Replacement Program.
11. A majority of the repairs completed were in Wards 1, 2, 4 and 8 which was anticipated given the age of the infrastructure and the known areas of BF lateral installations.



- 12. The City repaired three (3) laterals damaged by utility contractors installing communication cable by horizontal direction drilling. The City does not provide sanitary lateral locates as they are private infrastructure and not owned by the City. Due to the locate service not being provided, the utility contractors have denied responsibility for the damage.

ENVIRONMENTAL MATTERS

- 13. There are no environmental matters related to the recommendation.

ALTERNATIVES

- 14. The following alternatives are available for consideration by General Committee:

Alternative #1 Council could choose to proceed with the Sanitary Lateral Replacement Grant Program immediately on a permanent basis as per Option 2. Total Annual Net Operating increase required is \$260,233 and an additional \$325,000 in capital for 2020.

Alternative #2 Council could choose to not proceed with the Sanitary Lateral Replacement Grant Program.

FINANCIAL

- 15. \$660,000 is currently budgeted in 2019 for the contracted service of sanitary lateral replacements under the program. \$673,200 is currently included in the 2020 base operating budget for contracted services.
- 16. The Sanitary Lateral Replacement Grant Program is currently funded by the Wastewater Rate Capital Reserve. The staff and operating costs below are recommended to continue with the program in 2020 and beyond. All costs should be applied to the Wastewater Rate.

OPTION A –Total 2020 Operating \$1,011,791 for Sanitary Lateral Replacement Program

Position	Salaries	Benefits (26%)
One (1) Roads Operations Foreperson (annual)	\$96,447	\$25,344

Operating Expense	
Contracted Services to conduct repairs and replacements and plumbing reimbursements (annual)	\$890,000

Capital Expense	
Vehicle	\$50,000



17. The actual net operating increase required for the 2020 Business plan is \$338,591 for Option A. \$673,200 is already included in the 2020 base operating budget for the contracted services portion of the program. \$50,000 is required for capital expense for a staff vehicle.

OPTION B – Total 2020 Operating \$933,753 for the Sanitary Lateral Replacement Program

Position	Salaries	Benefits (26%)
Two (2) Wastewater Collection Operators (annual)	\$109,756	\$28,976
One (1) Roads Operations Foreperson (annual)	\$96,477	\$25,344
Total	\$206,233	\$54,320

Operating Expense	
Contracted Services to conduct repairs and replacements, supply of materials required to make repairs (annual)	\$673,200

Capital Expense	
Sewer equipment, trench box, excavator, vehicle, and float trailer.	\$375,000

18. The actual net operating increase reequred for the 2020 Business Plan is \$260,553 for Option B. \$673,200 is already included in the 2020 base operating budget for the contracted services portion of the program. \$375,000 is required for capital expenses including staff vehicles and equipment to facilitate repairs by City staff.

LINKAGE TO 2018–2022 STRATEGIC PLAN

19. The recommendation(s) included in this Report support the following goals identified in the 2018-2022 Strategic Plan:
- Fostering a Safe and Healthy City
 - Building Strong Neighbourhoods
 - Offering Innovation and Citizen Driven Services