

## **Sanitary Sewer and Water Service Line Warranty Protection Plan Update 2021**

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| Presented To:   | Operations Committee                                 |
| Meeting Date:   | December 6, 2021                                     |
| Type:           | Managers' Reports                                    |
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| Recommended by: | General Manager of<br>Growth and Infrastructure      |

### **Report Summary**

This report provides a recommendation regarding the procurement of a service provider to offer an optional water and sewer service line warranty protection plan to City of Greater Sudbury homeowners.

### **Resolution**

THAT the City of Greater Sudbury approves the procurement of a service provider to offer City of Greater Sudbury homeowners an optional sewer and water service line warranty protection plan;

AND THAT the City of Greater Sudbury waives any commission from this service provider in order to facilitate a lower monthly premium for homeowners as outlined in the report entitled "Sanitary Sewer and Water Service Line Warranty Protection Plan Update 2021", from the General Manager of Growth and Infrastructure, presented at the Operations Committee meeting on December 6, 2021.

### **Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)**

This report refers to operational matters and has no direct connection to the Community Energy & Emissions Plan.

### **Financial Implications**

There are no financial implications to the City as all costs are to the private homeowner. There is an anticipated commission for the use of City logo however, as there is very minimal anticipated administrative burden to the City, it is recommended that all commission be waived by the City in order to lower monthly premiums for homeowners.

### **Background**

The City of Greater Sudbury services approximately 48,000 properties of which, many of these property owners may be unaware that they are responsible for repairs when their exterior, underground water or

sewer pipes fail. As such, they may be unprepared for the associated repair bills.

In the City of Greater Sudbury, the sanitary sewer and water service pipes between the main and the property line are the City's responsibility to maintain. The pipes between the property line and building are the owner's responsibility to maintain as is depicted in Figure 1.

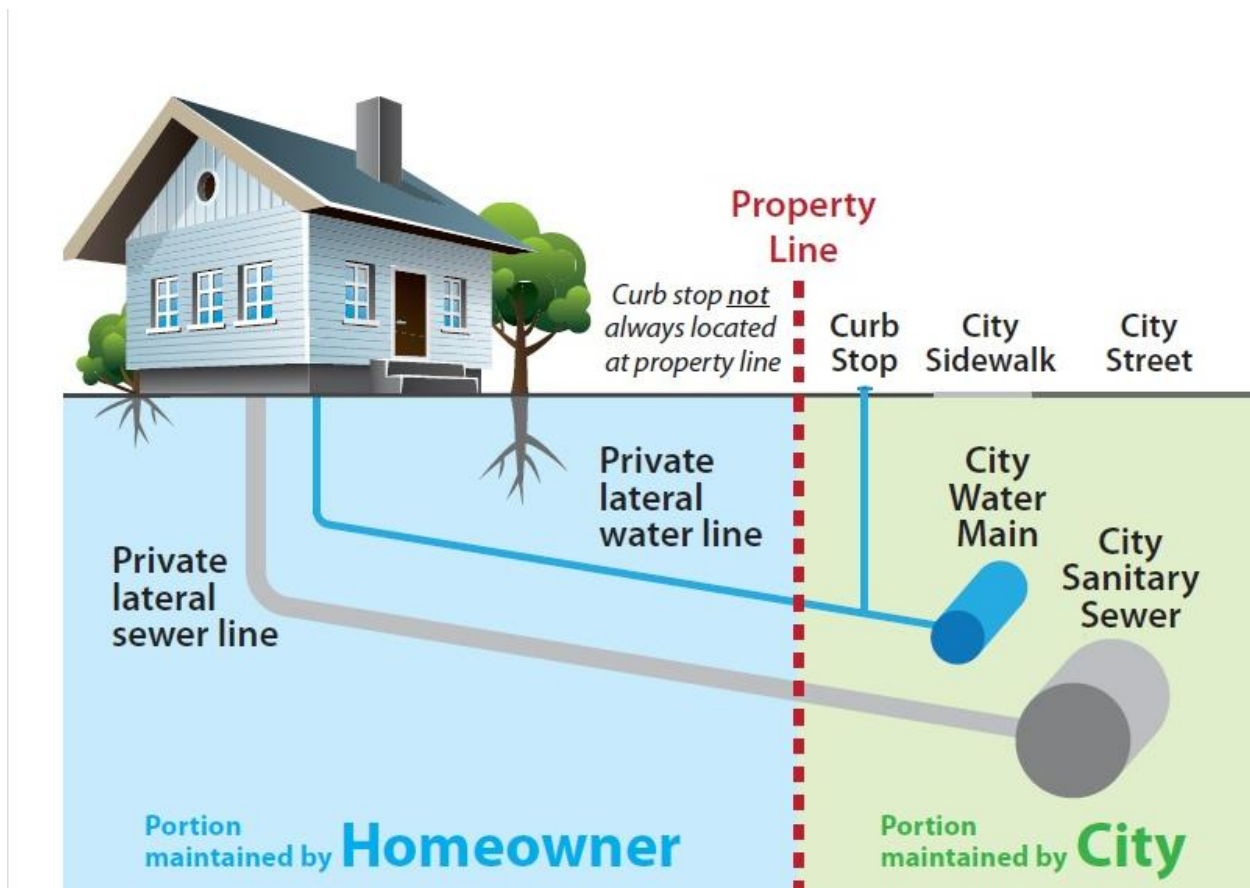


Figure 1

Water service pipes can rupture or leak causing a loss of water pressure to the home and potential property damage. Similarly, sanitary sewer lateral pipes can fracture, collapse, or become offset which may lead to a sewer back-up. When these situations occur, a repair or replacement of this pipe is required and can be costly.

While most property insurance policies will cover damage to the interior of the dwelling from a sewer line backup or collapse, they do not reimburse for the cost of repair of the pipe itself. Similarly, water service line leaks or breaks that occur in the section from the property line to the dwelling are typically not covered by property insurance policies. Water damage from broken or leaky interior plumbing is covered by most property insurance policies however, repairs to the pipes themselves are typically not.

## Analysis

Since 2014, a program has been available and utilized by approximately sixty (60) Ontario municipalities to provide homeowners an opportunity to obtain sewer and water service line warranty protection. This program offers three service line warranty protections plans to homeowners: Sewer, Water, and Plumbing and Drainage. Such coverage is contemplated to include repair, replacement, frozen water service thawing, and sewer lateral back-up clearing on the private portion of the sanitary sewer or water service pipe.

As this is a highly specialized protection plan which requires that the service provider partner with local

contractors in order to undertake all warranty work required, the service provider does not offer this service to homeowners within a municipality without the support of that municipality including the permission to utilize the City's logo on pre-approved promotional materials. Service providers believe that the use of the city logo alerts residents to the legitimacy of the program, which will facilitate a higher participation rate. In order to obtain a fair rate for homeowners, the City would engage in a competitive procurement process which would see set rates for Water, Sewer, and Plumbing and Drainage plans with monthly and annual payment options.

The successful proponent would be responsible for advertising the program, typically by direct mail and public relations to generate awareness and interest amongst homeowners. The provider would also be responsible for covering all costs of administration as well as producing mailing materials. All promotion, billing, customer service, and all repairs to specified standards would be administered by the service provider.

## **Conclusion**

Procuring a service provider who will offer City of Greater Sudbury homeowners the ability to enroll in a sanitary sewer and water service line warranty protection plan would not only protect residents from the possible financial stress of costly repairs but also help the City to control non-revenue water leakage and extraneous water inflow from damaged private infrastructure. As well, the advertisement of this program will help to educate residents on their responsibilities as it relates to these private services.

## **Resources Cited**