

## Request for Decision

### Preventative Plumbing Subsidy Program

Presented To: Policy Committee

Presented: Wednesday, Jul 14, 2010

Report Date Thursday, Jul 08, 2010

Type: Presentations

### Recommendation

That Council support and approve the Preventative Plumbing Subsidy Program as outlined in this report and that funding Option 2(a) be approved from the 2010 and 2011 Wastewater Capital Annual Rehabilitation Program.

### Finance Implications

If approved, the funding for 2010 and 2011 will come from the Wastewater Capital Sewer Annual Rehabilitation Program. For 2012 and future years, staff will review the success of the Program and provide a recommendation to Council to possibly fund the Program in future years from an increase in the wastewater operating budgets. This will allow the entire approved Capital Budget to be used for necessary wastewater capital programs.

### **BACKGROUND**

At the Policy Committee Meeting of February 24, 2010, Council passed Resolution 2010-87 directing Staff "to more fully develop a Preventative Plumbing Subsidy Program which, if approved and funded, would be effective retroactive to July 25<sup>th</sup>, 2009 for those who experienced flooding due to the July 26, 2009 storm and subsequently to residents residing in flood regions, as identified in the draft policy; and to identify a potential funding source for the program, and present the draft policy to Council at its April 21, 2010 Policy Committee meeting".

At the April 21, 2010 Policy Committee meeting, Staff provided a status/update on the progress of the development of the Preventative Plumbing Subsidy Program.

Following the Policy Committee meeting of February 24, 2010, Staff worked diligently in reviewing the best practices and similar experiences of other Canadian cities that have developed similar Flood Prevention Assistance Programs (FPAP). Table 1 (attached) summarizes the similar programs provided in five (5) Canadian municipalities including St. Catharines, Ottawa, Peterborough, Edmonton and Toronto.

### **INTRODUCTION**

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This report provides a description of the key elements of the proposed program which are as follows:

- Objectives of the program
- Eligibility criteria
- Financing
- Implementation schedule and administration of program

## **OBJECTIVES OF PROGRAM**

The objective of the program is to provide financial assistance to property owners that have either experienced or could potentially experience flooding of their basements as a result of sewer system backups during times of heavy precipitation. The financial assistance would be to assist the property owners in the cost of disconnecting their weeping tile system from the sanitary sewer system and installing a sump pump that would discharge rain water outside the property and/or installing a backwater valve in the sanitary discharge line to minimize the potential for the municipal sewer from backing up into their residence.

## **ELIGIBILITY CRITERIA**

This program will be available to all property owners whose properties are located in low-lying areas that have either experienced or could potentially experience flooding of their basements as a result of a municipal sewer system backup.

The priority for financial assistance will be to property owners that have experienced flooding in 2009 followed by those that experienced flooding earlier and then those that could potentially experience flooding.

The application for assistance will be approved on a first come-first served basis and will continue until all approved annual funding has been exhausted. Once the approved funding levels have been spent, any future applications will be placed on the next year's list on a similar first come-first served priority basis. It is envisaged that there will be a large number of applications in the first several years of the program and that the numbers of applications will decrease with time.

As a condition of approval for financial assistance the property homeowner, as part of the application, must provide a disclaimer absolving the City of any responsibility as a result of the property owner installing any protective devices and/or discharged water adversely impacting on any abutting property either private and/or municipal infrastructure including sidewalks, laneways and roadways. The waiver will be registered on the title of each property.

## **FINANCIAL CONTRIBUTION**

It is recommended that the City follow a funding formula consistent with the other municipalities with similar programs.

It is proposed that funding be provided for property owners wishing to install protective devices such as either sump pump and/or backwater valve. A condition for receiving funding assistance is that the property owners would have to comply with the program requirements as outlined in **Appendix A** attached.

Table 2 (attached) outlines several funding options including annual percentage of contribution and contributions from the Wastewater Annual Capital Rehabilitation Program Budget for 2010 and 2011 Council's consideration.

Option 1 does not suggest financial assistance but only an education program to educate residents on how to protect their basement from flooding. Options 2(a), 2(b), 3(a) and 3(b) indicate either 50 or 75 percent contributions and an annual program contribution of either \$175,000 or \$350,000 with the number of property owners who could benefit from each option and funding level.

Based on similar other municipal cost sharing initiatives, as shown in Table 2, an annual contribution of \$350,000

would be appropriate for 2010 and 2011.

As Council is well aware, the City has an increasing "gap" in necessary infrastructure funding for all municipal infrastructure. Therefore, staff propose to report back to Council in 2012 on the success of this program including anticipated funding requirements to maintain the program in future years. It is anticipated that if the program is very successful, that staff will recommend that funding for the program in 2012 and beyond come from an increase in the Wastewater Operating Budget.

## **IMPLEMENTATION AND ADMINISTRATION**

As outlined in **Appendix A** attached, it is proposed that residents wishing to apply for financial assistance would contact either Engineering Services Staff at Tom Davies Square or any Community Centres to receive an information package and application form. They can also download the information from the City's website. The homeowner would then obtain a Plumbing Permit from the Building Services Division. Upon successful completion of the works and submission of completed backup documentation, the City will pay the property owner in accordance with the approved subsidy and funding availability.

It is proposed that the program will be administered by existing Engineering and Water/Wastewater staff located at Tom Davies Square. Staffing requirements will be monitored and expanded as necessary based on the success of the program. We will come back to Council for approval for any additional staffing.

It is anticipated that the program can be implemented by August 1, 2010.

Regular information and update reports will be provided to Council during the implementation period.

## **RECOMMENDATION**

That Council support and approve the Preventative Plumbing Subsidy Program as outlined in this report and that funding Option 2(a) be approved from the 2010 and 2011 Wastewater Capital Annual Rehabilitation Program .

## Proposed Preventative Plumbing Subsidy Program

Table 1: Sample of Preventative Plumbing Programs

|                                | St Catharines  | Ottawa   | Peterborough   | Edmonton  | Toronto   |
|--------------------------------|--|--|--|---|---|
| Program Name and starting date | -Flood Alleviation Program (FLAP)<br>- Started in 1998 and still ongoing | Grants for Protective Plumbing Devices<br>2005 and ongoing   | Sanitary Backflow Prevention Subsidy Program. 2005 and ongoing   | Flood Prevention Program, 2006 and ongoing        | Basement Flooding Protection Subsidy Program. 2006, ongoing               |
| Protective devices included    | - Backwater valve<br>- Sump pump<br>- Downspout disconnections           | Inspector determines the required work (backwater valve, sump pump)  | - backwater valve<br>- Sump pump   | Backwater valve                                   | -Backwater valve<br>- Sump pump<br>- Pipe severance and capping           |
| Subsidy                        | Max \$3000   | -100% of the work up to max \$4000 ( if experienced backup due to surcharging of City Sewers)<br>- 50% and up to 2500 (didn't have a backup but located in areas with history of blockage or surcharging of City sewers) | - 100% up to \$800 max for backwater valve<br>- 100% up to \$800 max for sump pump<br>- 100% for both up to \$1800 | -Max 1200 for backwater valve                     | -80% up to \$1250 for backwater valve<br>- 80% up to \$1750 for sump pump |
| Responsible department/        | Environmental Services   | Environmental Services   | Building Services  | Drainage Services Branch                          | Toronto Water   |
| City's role                    | -Pre -inspection<br>-Recommend required work                             | -Pre-inspection<br>-Provide info for protective plumbing requirements<br>- Final inspection of work performed  | -Building permit<br>-Application review  | Information & communication<br>Application review | -Building permit<br>-Application review                                   |

## Proposed Preventative Plumbing Subsidy Program

TABLE 2: FINANCING OPTIONS

|  | Option 1<br>Status Quo | Option 2(a)<br>50% Subsidy to max<br>of | Option 2(b)<br>75% Subsidy to max<br>of | Option 3(a)<br>50% Subsidy to<br>max of | Option 3(b)<br>75% Subsidy to max<br>of |
|--|------------------------|---|---|---|---|
| Backwater/Back-up Valve  | N/A                    | \$1,000                                 | \$1600                                  | \$1,000                                 | \$1,600                                 |
| Sump Pump  | N/A                    | \$1,250                                 | \$2,000                                 | \$1,250                                 | \$2,000                                 |
| Combined (BWV+ SP)   | N/A                    | \$2,250                                 | \$3,600                                 | <del>\$2,250</del><br>\$2,250           | \$3,600                                 |
| Annual Contribution from<br>Wastewater Capital Budget  | \$10,000 <sup>1</sup>  | \$350,000                               | \$350,000                               | \$175,000                               | \$175,000                               |
| Number of properties who could benefit from each option at maximum funding on an annual basis. |                        |   |   |   |   |
| Backwater valve  | N/A                    | 350                                     | 219                                     | 175                                     | 109                                     |
| Sump pump  | N/A                    | 280                                     | 175                                     | 140                                     | 88                                      |
| Combined (BWV+ SP)   | N/A                    | 156                                     | 97                                      | 78                                      | 49                                      |

<sup>1</sup> Cost for communication and education plan.