Date August 13, 2019  Report No. 2019-446

To Chair and Members
        Committee of the Whole – Operations and Administration

From E. (Beth) Goodger, General Manager
        Public Works Commission

1.0 Type of Report

Consent Item [ ]
Item For Consideration [X]

2.0 Funding for Private Sanitary Sewer Lateral Replacement Grant Program [Financial Impact – $50,000]

3.0 Recommendation

A. THAT Report No. 2019-446 titled “Funding for Private Sanitary Sewer Lateral Replacement Grant Program”, BE RECEIVED; and

B. THAT Council APPROVE a funding of $50,000 for the Private Sanitary Sewer Lateral Replacement Grant Program from the Wastewater and Related Reserve (RF0540).

4.0 Purpose and Overview

To obtain Council approval for additional funding, in order to continue the successful uptake of the Private Sanitary Sewer Lateral Replacement Grant Program. The Program was established to encourage replacement of sanitary sewer laterals on the private side of the sewer system. The budget for the Program has insufficient funds to process further applications. Since the Program was established in 2014, 333 grants have been approved and staff are
recommending $50,000 be approved to allow this successful Grant Program to continue in 2019.

5.0 Background

Sanitary sewer backups experienced by customers are often a result of a blockage in a sewer lateral. Sewer laterals are pipes that carry wastewater from the sanitary fixtures and floor drains inside a home or business to the City’s sanitary sewer system. Sewer laterals can clog with roots and grease or deteriorate with age which can cause a back-up inside a property.

A sewage spill can cause damage to property that is expensive to fix and may cause public and/or environmental health concerns. In addition, rainwater and groundwater may enter the sanitary sewer system through cracks or gaps in the pipes, which could have significant impacts such as unnecessary costs for treating water and taking up valuable capacity at the Wastewater Treatment Plant. Proper maintenance of sewer laterals, including replacement and relining, is important to prevent potential sewer stoppages/blockages. In addition to preventing sewer stoppages, replacing private sewer laterals reduces inflow and infiltration into the sanitary sewer collection system, (i.e. undesired water entering the system through broken or cracked pipes).

In February of 2014, Council approved a Private Sewer Lateral Replacement Grant Program for the purpose of financially assisting homeowners. At that time, $200,000 from the Wastewater and Related Reserve Fund (RF0540) was approved for the 2014 program to provide a grant to replace or reline private sewer laterals in the amount of 50% of the cost up to $1,500. The Grant Program was expanded in 2016 to include rental properties, through the establishment of a city-wide Community Improvement Plan.

Since the program commenced, an annual capital budget request has been submitted and adjusted accordingly to reflect anticipated program uptake. The program is successfully running and to enhance the program further an online application process is being considered. The Sewer Lateral Replacement Grant Program Brochure is attached as Appendix A which outlines the program eligibility requirements, the application and approval process, replacement process and payment process for residents.

Since the inception of the Sewer Lateral Grant Program over $435,000 in grant funding has been provided for a total of 333 grants. The total number of grants and amount of grant funding is provided in Table1.
<table>
<thead>
<tr>
<th>YEAR</th>
<th>APPROVED BUDGET PER YEAR</th>
<th>TOTAL NUMBER OF GRANTS PAID PER YEAR</th>
<th>TOTAL AMOUNT PAID OUT PER YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$200,000</td>
<td>35</td>
<td>$46,971.64</td>
</tr>
<tr>
<td>2015</td>
<td>$100,000</td>
<td>62</td>
<td>$88,381.72</td>
</tr>
<tr>
<td>2016</td>
<td>$100,000</td>
<td>73</td>
<td>$96,113.20</td>
</tr>
<tr>
<td>2017</td>
<td>$0 (Budget Remaining from previous years was utilized)</td>
<td>72</td>
<td>$90,187.13</td>
</tr>
<tr>
<td>2018</td>
<td>$100,000</td>
<td>62</td>
<td>$76,638.31</td>
</tr>
<tr>
<td>2019</td>
<td>$0 (Budget Remaining from previous years was utilized)</td>
<td>29</td>
<td>$36,847.75</td>
</tr>
<tr>
<td>TOTAL SINCE COMMENCEMENT OF GRANT PROGRAM</td>
<td>$500,000</td>
<td>333</td>
<td>$435,139.75</td>
</tr>
</tbody>
</table>

Table 1 Grant Program Uptake since Commencement of Sewer Lateral Grant Program

The total approved budget from 2014-2019 is $500,000 and the total amount distributed to residents since commencement of the Sewer Lateral Grant Program is $435,139.75. In 2016, $61,600 was returned to the Wastewater and Related Reserve (RF0540) due to low uptake in the program. Currently in 2019 we have $3,260.25 remaining to date.

### 6.0 Corporate Policy Context

Continued funding of grants for the replacement of private sanitary sewer laterals as an incentive to residents is consistent with Strategic Action Group 3 – Managed Growth & Environmental Leadership Goal 3, of Brantford's Community Strategic Plan for Section 3. 2 - Water and Wastewater.
7.0 Input From Other Sources

Staff from the Finance, Legal & Real Estate and the Continuous Improvement departments have reviewed this report and provided assistance with the ongoing grant program status. Their comments have been addressed in this report.

8.0 Analysis

The number of Sewer Lateral Grant Program applications had varied from year to year making it challenging to estimate the required capital budget funding. In addition, grants may not be processed in the year that they are received. Despite applications being verified for program eligibility, not all applicants proceed to the next step of signing their grant commitment letters for grant funding. Those that do receive a signed commitment letter from the City have up to 6 months to submit their paid invoice however, applicants don't always follow through with the intended work. In some cases, the 6 month timeframe carries over from one year to the next for payment.

When the 2019 capital budget was developed funding was available in the 2018 approved budget. However, applications came back in late 2018 and early 2019 resulting in insufficient funds to process further applications. Until funding is approved by Council, staff will continue to provide verification of eligibility for the grant program but will not approve commitment letters for grant funding.

An alternative would be to suspend the program until the approval of the 2020 Capital Budget. This is not recommended as it expected that grant applications will continue to be received in 2019. There are currently 15 applications being verified for eligibility that cannot be approved.

9.0 Financial Implications

The Sewer Lateral Grant Program is funded through the Capital Budget. It is requested that Council authorize funding of $50,000 from the Wastewater and Related Reserve (RF0540) to enable the Grant Program to continue in 2019. The Finance Department has confirmed there is sufficient funding available in Reserve. Pending on uptake, annual funding for the grant program will be requested through capital budget accordingly to continue to promote the replacement of deteriorated private sewer lateral pipes.
10.0 Conclusion

In order to provide continued incentives for homeowners in 2019 to replace private sewer laterals, thereby reducing the potential for sewer lateral stoppages/back-ups into their home, as well as inflow and infiltration into the sewer system, it is recommended that Council approve funding of $50,000 to the Sewer Lateral Grant Program.

Selvi Kongara, P.Eng  
Director, Environmental Services  
Public Works Commission

E. (Beth) Goodger  
General Manager, Public Works Commission

Attachments

Appendix A - Sewer Lateral Replacement Grant Program Brochure

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required  
[ ] yes  [X] no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk  
[ ] yes  [X] no

Is the necessary by-law or agreement being sent concurrently to Council?  
[ ] yes  [X] no