



**Utilities Kingston
Report to the Environment, Infrastructure
and Transportation Policies Committee
Report Number EITP-17-012**

To: Chair and Members of the Environment, Infrastructure and Transportation Policies Committee

From: Jim Keech, President & CEO, Utilities Kingston

Resource Staff: Jim Miller, Director, Utilities Engineering
Allen Lucas, Manager, Research & Projects

Date of Meeting: November 14, 2017

Subject: Water/Sewer Line Warranty Program

Executive Summary:

Water and Sewer Line Warranty programs are a recent development in Canada, developed in an attempt to ease the costs associated with maintenance of the services to residential properties. There are a number of companies who are established that provide the programs across municipalities through marketing agreements with the municipalities.

Further to direction received on October 16, 2016, through approval of Report EITP-16-018 Utilities Kingston has reviewed the available providers for warranty programs. At this time there is only a single provider, Sewer Line Warranties Canada Inc. (SLWC), that offers such programs. Two other providers were contacted and advised they were not able or interested in responding to a Request for Proposal. The Local Area Services (LAS) of the Association of Municipalities of Ontario continue to endorse SLWC, and areas serviced by them continue to be satisfied with the offering.

The program may still be of interest and benefit to the residential property owners in Kingston and could provide a source of income to the City or Utilities Kingston.

Recommendation:

That Utilities Kingston, through consultation with other municipal departments, request a proposal from Sewer Line Warranties Canada to offer warranty programs. Information to be included will include proposed costs and coverages for offer, including costs and proceeds to be received by Kingston; and

That Utilities Kingston report back to Council with a recommendation to award or decline.

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Authorizing Signatures:

ORIGINAL SIGNED BY PRESIDENT & CEO, UTILITIES KINGSTON

**Jim Keech, President & CEO,
Utilities Kingston**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Lanie Hurdle, Commissioner, Community Services	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required
Denis Leger, Commissioner, Corporate & Emergency Services	Not required

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Options/Discussion:

The City's water/wastewater systems currently each have over 45,000 accounts including approximately 40,000 residential accounts. Property owners may be unaware of their responsibility to maintain and repair the exterior, underground water/sewer lines. Unfortunately, many property owners are unprepared for the associated repair bills when these fail.

Ownership and responsibility for water and sewer service lines (laterals) is shared between the City and the property owner. The section of the service line from the main to the property line is owned and by the City. The section from the property line to the dwelling is the responsibility of the property owner.

As specified in the City of Kingston "Sewer" Bylaw 2008-192 and the "Water Use" By-law 2006-122, as amended, costs related to the maintenance of the municipal portion will be the City's responsibility and maintenance and repair of the service line on private property lies with the Owner.

While Utilities Kingston proactively maintains and replaces buried infrastructure, many residents do not and can face large expenses once failure occurs. A Warranty Provider is one that offers Warranty Plans and Programs to Residential Property Owners within the defined region, which can include water service lines, sewer laterals (including CCTV services) and even internal home plumbing and drainage repair and replacement services.

For a fixed monthly fee, the Warranty Provider is obligated to perform any repairs required to the private buried infrastructure. While they will restore the property to grade, they are not obligated to restore the property fully once the work is complete, such as paving and landscaping. That work remains the obligation of the homeowner. However, the largest portion of a service line issue, namely the excavation and repair is covered. If the issue extended outside of private property onto the public right of way, as part of their service to the homeowner, the Warranty Provider would liaise directly with the operating authority to have any further repairs completed on the public side of the service.

At its meeting on October 11, 2016, EITP passed the following motion:

Moved by Councillor Neill

Seconded by Councillor Schell

That Utilities Kingston, through consultation with other municipal departments, develop and release a Request for Proposal for a residential Water Sewer Line Warranty Program; and

That the evaluation of the submissions received shall be a qualifications based process, in accordance with Utilities Kingston procedures; and

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That Utilities Kingston report back to Council on the outcome of the Request for Proposal, with a recommendation on award.

Carried

Staff in preparing to issue the requested Request for Proposal (RFP) contacted a number of potential service providers to determine interest in providing this service to customers within the City of Kingston. Two providers advised they were not able or interested in responding to a Request for Proposal. A third company provided a positive response to our inquiry. As a result of this pre-consultation it would appear that there would be only one company - Sewer Line Warranties Canada Inc. (SLWC), that would be prepared to offer the program of interest.

Given this information there is little value in exercising a RFP process and have a single provider incur the expense of an RFP process. As such it is recommended that having determined there is only a single source supplier of the services being considered that Utilities Kingston request a proposal from Sewer Line Warranties Canada to offer warranty programs. Information requested will include proposed costs, coverage, limitations and exclusions for offer to homeowners, with the costs and proceeds to be received by Kingston per policy for providing endorsement. SLWC will also be asked to provide an outline of the marketing program and involvement for City and Utilities staff.

It is further recommended that Utilities Kingston report back to Council with a recommendation to award or decline the proposal after review.

Notice Provisions:

Not Applicable.

Accessibility Considerations:

Not Applicable.

Financial Considerations:

There are no financial considerations at this time.

Contacts

Jim Miller, Director, Utilities Engineering, 613-546-1181, Extension 2475

Allen Lucas, Manager, Projects & Research, 613-546-1181, Extension 2250

Other City of Kingston Staff Consulted:

Not Applicable.

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Exhibits Attached:

Not Applicable.