



THE CORPORATION OF THE TOWN OF TECUMSEH

Public Works & Environmental Services
Report No. 15/16

TO: Mayor and Members of Council

FROM: Dan Piescic, P.Eng., Director, Public Works & Environmental Services

DATE: July 8, 2016

DATE TO COUNCIL: July 26, 2016

SUBJECT: LAS Sewer and Water Line Warranty Coverage for Residential Homeowners

RECOMMENDATIONS

It is recommended that:

1. The Local Authorities Service (LAS) Sewer and Water Line Warranty Program offered to homeowners by Service Line Warranties of Canada (SLWC), be endorsed.
2. The program availability be promoted through the Town's various communications resources including the Town's website and social media.
3. The Mayor and Clerk be authorized to execute an agreement with Service Line Warranties of Canada, satisfactory in form to the Town's Solicitor, to use the Town's name, Logo and property information to promote the Program.

BACKGROUND

Sewer and water line warranty coverage for residential homeowners

Residential property owners are responsible for the maintenance of the buried water and sewer lines that run from the public (main) connection (located in the Town's right-of-way) to the exterior of their home (private property). When these lines break, leak or clog, the homeowner is often surprised to learn that it is not a municipal responsibility to make repairs, and their insurance will not cover the cost of this expensive repair. One of these services is the Local Authorities Service (LAS) Sewer and Water Line Warranty Program.

Local Authority Services (LAS) is a wholly owned not-for-profit subsidiary of the Association of Municipalities of Ontario (AMO), and is a provider of various services to Ontario municipalities and the broader public sector. Over 381 Ontario municipalities are currently participating in one or more LAS services.

The new LAS-endorsed Sewer and Water Line Warranty Program provides residents the opportunity for a low cost warranty program that will help repair, replace, or restore this critical infrastructure, which is often perceived as the municipality's responsibility. As such, it helps the municipality address a 'no win' political issue.

As an LAS preferred service partner, Service Line Warranties of Canada (SLWC) is willing to offer this warranty program to any Ontario municipality, large or small, with a standard rate structure for its residents. The low rates are made possible through LAS' influence and the buying power of the Ontario municipal sector.

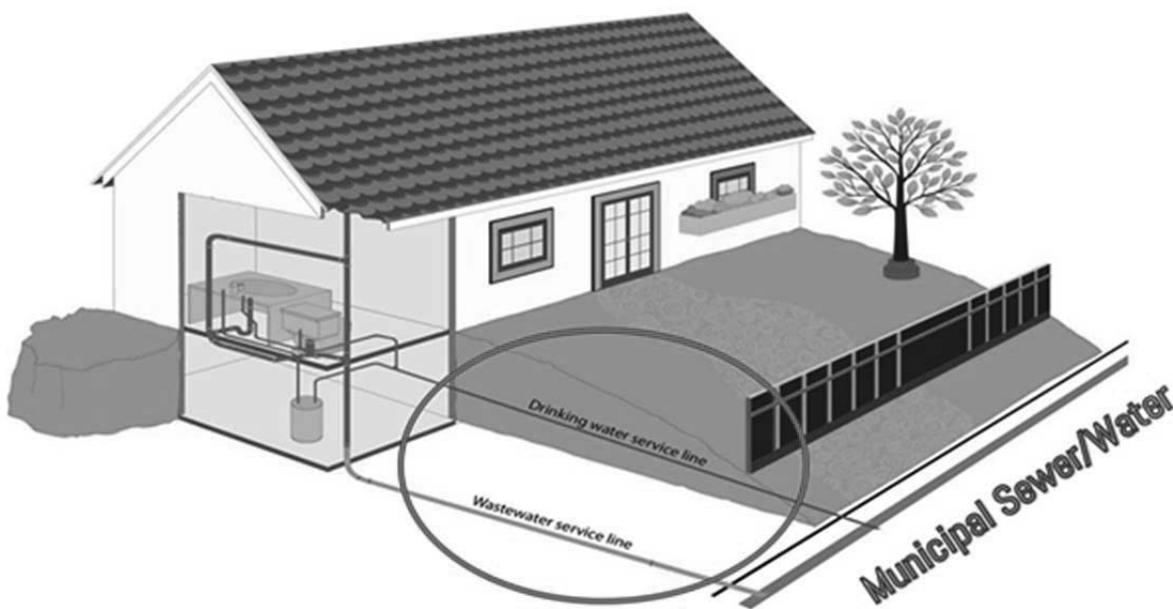
COMMENTS

Many homeowners do not realize that they are responsible for the sewer and water lines (circled in red below) that run from outside their home to the municipal connection. Unfortunately, these lines can fail due to age, tree root invasion, ground settling and other causes. The repairs can cost hundreds or thousands of dollars out-of-pocket.

There is a general misperception that when a line breaks it is the responsibility of the municipality to repair. The Municipality's obligation is to repair the line from the main to the municipal connection, usually at the property line. The homeowner is responsible from the service connection at the property line to the residents' home. The endorsement of this program would give the general public a greater understanding of their responsibility regarding the sewer and water lines.

- A leaking, clogged or broken sewer line may contaminate soil, damage personal property and a home's foundation and may pose a public health hazard.
- Cracks in the water supply line can make it so a family is unable to do basic things like wash dishes, do the laundry or take a shower.

Timely repair is important. If a homeowner's lines are covered by a warranty program such as the Service Line Warranties of Canada (SLWC) warranty, when the leak, clog or break in the line is discovered, the homeowner can contact SLWC, who will dispatch a plumber to the residence to make a timely repair.



About the SLWC Sewer and Water Line Warranty Service

To participate in this program, all that is required is the municipality’s endorsement of the program model, which allows SLWC to effectively market the program to your residential property owners. There is, however, no cost to the municipality.

With the SLWC program model, all work is performed by licensed, local contractors, to ensure a timely response with adherence to any local code requirements.

Highlights

- 200+ municipalities participating across North America
- 100,000 claims processed
- Over 97% claim approval rating

Pricing and Program Coverage

The cost of this warranty program to the homeowner is minimal.

The standard program costs available to any municipality under the LAS program are as follows:

Area	Warranty Type	Monthly Cost	Single Annual Payment
Southern Ontario	External Water Line	\$ 5.00	\$ 55.00
	External Sewer Line	\$ 5.75	\$ 64.00
	Total (Annual)	\$ 129.00	\$ 119.00

The program provides protection from the point of entry at the home to the municipal responsibility for the following amounts:

- External Water Line Coverage = \$5,000
- External Sewer Line Coverage = \$8,000

As part of the endorsement by the Town, the Town would be required to enter into an agreement with SLWC to permit the use of the Town’s name, Logo and property information by SLWC for marketing purposes and in return SLWC would remit to the Town five percent of the revenue from the warranty products collected.

Should Council endorse this program, property owners will be notified through various communication resources such as mail and advertising by SLWC and promotion of the program on the Town’s website and through social media.

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CONSULTATIONS

Local Authority Services
 Chief Administrative Officer

FINANCIAL IMPLICATIONS

There is no cost for the Municipality’s involvement in the program. This program would help homeowners manage the risk of failure of these service lines with added protection if their insurance does not cover these expenses.

In return for permitting SLWC to use of the Town’s name, Logo and property information by SLWC for marketing purposes SLWC would remit to the Town five percent of the revenue from the warranty products collected. At this time, an estimate the quantum of this revenue to the Town is not known. It would be dependent on the success of the participation in this program.

LINK TO STRATEGIC PRIORITIES

No.	2015-16 Strategic Priorities	Applicable
1.	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.	✓
2.	Ensure that the Town of Tecumseh’s current and future growth is built upon the principles of sustainability and strategic decision-making.	
3.	Integrate the principles of health and wellness into all of the Town of Tecumseh’s plans and priorities.	✓
4.	Steward the Town’s “continuous improvement” approach to municipal service delivery to residents and businesses.	✓
5.	Demonstrate the Town’s leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.	✓

COMMUNICATIONS

Not applicable

Website Social Media News Release Local Newspaper

This report has been reviewed by senior Administration as indicated below and recommended for submission by the CAO.

Prepared by:

Dan Piescic, P.Eng.
Director, Public Works & Environmental
Services

Recommended by:

Tony Haddad, MSA, CMO, CPFA
Chief Administrative Officer

Attachment(s): None