



Corporate Report

REPORT NUMBER 211-2022-Infrastructure & Operations-Engineering & Operations		
DATE PREPARED	November 8, 2022	FILE
MEETING DATE December 5, 2022		
SUBJECT	Financial Assistance Program for Private Lead Water Service Replacement – 2022 Annual Update	

RECOMMENDATION

For Information Only.

EXECUTIVE SUMMARY

Since the program launched in 2020, fifty-two loans have been issued to property owners that have replaced their private lead water service connection.

In 2022, the maximum loan amount was increased from \$3,000 to \$5,000 of eligible costs as recommended in the 2021 Council update.

To further assist property owners that qualify under the Tax and Water Credit Program for Low-Income Seniors and Low-Income Persons with Disabilities or the Tax and Water Credit Program for Low-Income Persons a \$1000 grant was added to the program in 2022. Up to a maximum of \$20,000 in grants were approved in the 2022 budget process.

DISCUSSION

In the summer of 2020, the Private Lead Water Service Replacement Loan program was launched to assist property owners with the removal of privately owned lead service connections. A loan envelope of up to \$1,350,000 to support the Private Lead Water Service Replacement program was approved and Administration was directed to report back in the fall of 2021 and annually thereafter on the program and provide recommendations on the status of loans issued along with any demand not met by the existing loan envelope.

As of November 2022, seventy-three applications have been approved since the program launched in June 2020. From those applications, forty-seven 5-year interest-

free term and five 10-year interest-free term loans have been issued. The City's loan envelope is still sufficient with a remaining balance of \$1,179,600. As for the grant portion of the program, two grants have been issued since the program was implemented in early 2022.

A number of municipalities have implemented financial assistance programs to assist with the cost of private lead service replacement with some currently in development. Cities such as Brantford, Guelph, Hamilton, London and Ottawa currently offer either a loan, a grant or a combination of both as part of their lead replacement programs.

The notice of the loan and grant program will continue to be provided to property owners with lead service connection through letter, on the City's website, advertisement in newsprint and social media.

FINANCIAL IMPLICATION

The loan envelope established in 2021 with a remaining balance of \$1,179,600 and the \$20,000 budgeted for grants is sufficient to maintain the current program at this time.

CONCLUSION

It is concluded that the Financial Assistance Program for Private Lead Water Service Replacement be continued until the funds originally dedicated to the Program have been fully expended.

BACKGROUND

During the 2022 Budget process, Council approved 20 - \$1000 grants for property owners requiring additional financial assistance as part of the Waterworks budget.

On December 6, 2021, the Environment Division presented Report No. R162.2021 to Committee of the Whole - Private Lead Water Service Replacement Financial Assistance Program – Update. In an effort to increase uptake for property owners requiring additional financial assistance Council approved an individual grant amount of \$1,000 towards eligible costs as part of the program for property owners that qualify under the Tax and Water Credit Program for Low-Income Seniors and Low-Income Persons with Disabilities or the Tax and Water Credit Program for Low-Income Persons as part of the program. Council also approved the maximum loan amount to be increased from \$3,000 to \$5,000 of eligible costs.

On January 11, 2021, the Central Support Division presented a memorandum dated November 26, 2020 to Committee of the Whole regarding a Private Lead Water Service Replacement Program – Loan Envelope to support the Private Lead Water Service

Replacement program consistent with the motion approved as a result of Report No. 55/2020 (Infrastructure & Operations – Environment). A loan envelope of up to \$1,350,000 to support the Private Lead Water Service Replacement program was approved and Administration was directed to report back in the fall of 2021 and annually thereafter on the program and provide recommendations on the status of loans issued along with any demand not met by the existing loan envelope.

On June 22, 2020, the Environment Division presented Report No. R55/2020 to Committee of the Whole – Financial Assistance Program for Private Lead Water Service Replacements. Council approved an interest free loan program to allow eligible property owners to borrow funds from the City to assist them in the replacement of their privately owned lead water service connection. A maximum loan amount of \$3,000 of eligible costs was approved, and set up to be repaid over a five or 10-year period through monthly interest free payments. In addition to supporting the interest free loan program, at the June 22, 2020 Committee of the Whole meeting, an amendment was passed directing Administration to increase the support from \$50,000 to \$100,000 from the Stabilization Reserve Fund for 2020 and also stated that the increase be included in the 2021 Budget for City Council's consideration.

On February 10, 2020. ref. CC/51 with respect to Report No. 1/2020 (Corporate Services & Long-Term Care – Financial Services) City Council approved \$50,000 to be funded from the tax stabilization reserve fund for 2020 to be used for a program to assist property owners with lead service pipe replacement. Administration was to report back to City Council on or before July 20, 2020 with further information, data from other municipalities and a recommended program framework for Council's review and approval.

Prior to the mid-1950s many water service connections installed were made of lead. When water sits stagnant in lead water pipes the lead leaches into the drinking water which can pose a health risk if too much enters the body. To reduce lead exposure these lead pipes need to be replaced.

Publicly owned lead service connections, the pipe from the water main to the property line are replaced through planned capital infrastructure projects, emergency repairs, and through the Priority Lead Service Replacement Program. Privately owned lead service connections, the pipe from property line to the water meter are the responsibility of the property owner and are replaced at the property owner's discretion. Although property owners are encouraged to replace their lead service connections when the public portions are being renewed, private lead services are often not replaced.

Since 2010, the City of Thunder Bay has followed its approved Corrosion Control Plan in accordance with Drinking Water Systems Regulation O. Reg. 170/3 to reduce lead levels at the tap. Part of the plan is the removal of lead water service connections attached to the City's drinking water system. According to City of Thunder Bay records, there are approximately 8,000 privately owned and 6,000 publicly owned lead water

service connections in the city. Since 2007, the City has removed over 1,700 publicly owned service connections.

REFERENCE MATERIAL ATTACHED

NONE.

REPORT PREPARED BY

Michelle Warywoda, Director – Environment

REPORT SIGNED AND VERIFIED BY:

Kerri Marshall, General Manager – Infrastructure & Operations

Date (11/25/2022)