

## SERVICE CONNECTION FAILURE ASSISTANCE FUND

### Overview

The Service Connection Failure Assistance Fund (SCFA) was set up as a type of insurance coverage for residents who have a problem with their water and sewer service.

Water and sewer service connection failures are generally due to freezing water lines. The cost of carrying out emergency repairs, especially in winter weather conditions, can exceed \$10,000. The SCFA fund also applies to sewer service connection failures, and helps cover the costs associated with fixing sewer connections.

Council established the SCFA program to provide municipal service customers with affordable insurance to cover repair costs.

The majority of customers participate in the program which, in the event of a failure, covers repair costs above \$1,000 and up to a maximum of \$25,000. The property owner pays the first \$1,000 (the deductible) and all costs exceeding \$25,000. The premium, currently set at \$10.00 per equivalent residential unit per month, is collected through a levy on the City water bill.

The program applies to failure of water or sewer services that occur between the building foundation and the City main. To qualify for the program a customer must have:

- a properly installed, operated and maintained freeze protection system
- water and sewer service connections in accordance with the applicable by-laws and codes

The costs that are covered under the program are those associated with the excavation, water and sewer repair or replacement, backfilling, placement of topsoil on the customer's property, pavement and sidewalk repair on City roadways.

### Standard Water and Sewer Service Connection

In 1984 the City adopted the two-line circulation system as its standard water service connection, which proved to be the most cost-effective freeze protection system available. The system consists of two insulated copper lines connected by a small pump located in a heated area inside the premises, which continuously circulates water back to the City main to prevent freezing. Some downtown blocks also utilize a two-line water system, but with an orifice system rather than a circulating pump. The orifice system works on the pressure differential of supply and return lines.

Prior to 1984 a variety of freeze protection systems were being installed. These were typically single lines with bleeders, heat tape, or the Aquaflow system to provide freeze protection.

The problems with the freeze protection systems associated with single line services are:

- Bleeders waste a huge volume of treated water and add to the volume of sewage that must be pumped to the sewage lagoon. This wasted water can affect the volumes stipulated under the City's mandated water licence.
- Heat tape has a relatively short lifespan and leads to frequent freezeup problems.
- The Aquaflow system is noisy and, as the system pumps water into the City's potable water system, it is not tamper-proof.

As the City continues to reconstruct streets and services in older sections, service connections are upgraded to the current standard. Water and sewer service connections that are repaired under the SCFA are upgraded to the current standard, as well.

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The Water & Sewer Fund's activities include all aspects of establishing, operating and maintaining buildings, equipment and work related to the supply and treatment of potable water, distribution of potable water, and collection, treatment and disposal of sewage. These costs are recovered through charges to service users.

<b>Service Connection Failure Assistance Fund Budget</b>	<b>2016 Actuals (\$000's)</b>	<b>2017 Budget (\$000's)</b>	<b>2017 Forecast (\$000's)</b>	<b>2018 Budget (\$000's)</b>	<b>2019 Budget (\$000's)</b>	<b>2020 Budget (\$000's)</b>	<b>Note</b>
<b>Revenue</b>							
User Charges							
Insurance Premium	1,199	1,204	1,204	1,206	1,212	1,218	
Insurance Deductible	53	36	36	36	36	36	
<b>Total Revenue</b>	<b>1,252</b>	<b>1,240</b>	<b>1,240</b>	<b>1,242</b>	<b>1,248</b>	<b>1,254</b>	
<b>Expenditures (By Activity)</b>							
Contracted Services	252	724	724	660	651	642	
Materials	96	134	134	186	187	188	
Labour & Equipment	312	382	382	396	410	424	(1)
<b>Total Expenditures</b>	<b>660</b>	<b>1,240</b>	<b>1,240</b>	<b>1,242</b>	<b>1,248</b>	<b>1,254</b>	
<b>Net Revenue (Expenditure)</b>	<b>592</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Interfund Transfers</b>							
<b>Total Interfund Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Change in Fund Balance</b>	<b>592</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Opening Balance</b>	<b>74</b>	<b>203</b>	<b>666</b>	<b>666</b>	<b>666</b>	<b>666</b>	
<b>Closing Balance</b>	<b>666</b>	<b>203</b>	<b>666</b>	<b>666</b>	<b>666</b>	<b>666</b>	

**Note:**

(1) Labour and equipment are the internal charges from the Water and Sewer Fund.

