



Report to: General Committee

Meeting Date: April 4, 2022

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|---------------------|---|
| SUBJECT: | Private Plumbing Protection Rebate Program Update |
| PREPARED BY: | Robert Muir, Manager, Stormwater, ext. 2357 |
| | Lijing Xu, Wastewater Hydraulic Engineer, ext. 2967 |

RECOMMENDATION:

1. That the report titled “Private Plumbing Protection Rebate Program Update” be received; and,
2. That Staff be authorized to extend the Private Plumbing Protection Rebate Program for an additional five years from May 1, 2022 to April 30, 2027; and,
3. That project 18324 5P - Pilot Private Plumbing Protection Program be increased from \$1,370,000 to \$2,249,744 for the five-year program extension with the additional \$879,744.00 funded through the Stormwater Fee Reserve;
4. That the consulting engineering services required to support the five-year program extension be continued with R.V. Anderson & Associates Limited with the remaining funds under their existing contract; and,
5. That the tendering process for the additional consulting engineering services required to support the five-year program extension be waived, in accordance with Purchasing By-Law 2017-8, Part II, Section 11.1(c), Non-Competitive Procurement which states “when the extension of an existing Contract would prove more cost effective or beneficial”; and
6. That Staff report back to Council after the five-year extension period to assess the further extension of the program; and further,
7. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

N/A

PURPOSE:

The purpose of this report is to obtain Council approval to extend the Private Plumbing Protection Program for an additional five years until April 30, 2027.

BACKGROUND:

In May 2018, Council approved a two-year Pilot Private Plumbing Protection Program (5P). The program aims to incent property owners to install devices on their plumbing systems to isolate the private system from the municipal system, in order to prevent back up during large storm events. The program is complementary to the City’s Flood Control program, which focuses on long-term upgrades to the municipal storm sewer system. The 5P program allows property owners to install approved devices in the short term, which reduces risk prior to the implementation of long-term sewer upgrade projects.

A series of private plumbing protection measures were approved by Council in May 2018, to help with the costs for property owners who had installed the devices since May 1, 2017.

At the end of the two year pilot program, staff reported back to Council in May 2020, recommending a two year extension of the pilot program due to positive feedback received from both the public and recognized effectiveness of the program in assisting flood risk reduction in the City's flood prone areas. Some changes to the pilot program were made by staff and approved by Council for the two-year extended program ending on April 30, 2022. By-law 2018-20 was repealed and replaced by By-law 2020-45.

OPTIONS/ DISCUSSION:

Since the program was initiated in May 2018, the City has received a total of 305 applications with 276 applications processed to-date. Based on applications more recently, from June 2020 onwards, the average rebate amount per application is \$4,000. The majority of the installations were completed in the flood prone areas identified through the City's Flood Control Program, as shown in Appendix A. The table below summarizes the rebate application status under each program period.

| Program Period | Number of Application Processed | Rebate Paid |
|--|--|--------------------|
| Pilot Program (May 1, 2018 - June 15, 2020) | 233 | \$ 875,482.00 |
| Extended Program (June 15, 2020 - Feb 22, 2022) | 43 ⁽¹⁾ | \$ 169,635.00 |
| Total | 276 | \$1,045,117.00 |

Note (1): Out of the 72 applications received in this period, 43 applications were completed and 29 are in process. The lower number of applications, compared to the previous period, was mainly due to impacts of the COVID-19 pandemic.

The private plumbing protection rebate program is an effective complementary method to the City's Flood Control program and one of the recommended measures from the Markham Village & Unionville Flood Remediation EA study that will start the implementation phase in the next ten years.

FINANCIAL CONSIDERATIONS

The budget and projected actual expenses as of the end of the current program are summarized as follows:

| | |
|--|----------------|
| Original Budget | \$1,370,000.00 |
| Less: Spent to-date (includes consulting and marketing fees) | \$1,114,318.00 |
| Less: Application & Consulting Commitments (to RV Anderson \$50k) (including in 29 process & projected 6 applications by end of current period at approx. \$4,000 per application) | \$ 190,426.00 |
| Total projected remaining funds available | \$ 65,256.00 |

Based on the previous program costs, the estimated costs of the five-year program extension are as follows:

| Item | Cost |
|---|---------------|
| Rebate Amount (235 at \$4,000 per application) | \$ 940,000.00 |
| Marketing & Program Promotion | \$ 5,000.00 |
| Less: Total projected remaining funds available | \$ 65,256.00 |
| Additional Funds Required | \$ 879,744.00 |

In 2018, Council approved the award for Consulting Engineering Services to support Private Plumbing Protection Rebate Program in the amount of \$117,219.00 inclusive of disbursement, contingency and HST to RV Anderson. As of today, \$50,426.15 remains in the purchase order from this award and will be used for additional support under this five year program extension for 2022-2027. The unused portion of the existing contract is sufficient to fund this work.

Staff will revisit the necessity to extend this program in the future but anticipate the demand will wane over the next five years.

The additional funds required for the five-year extension will be funded by the Stormwater Fee Reserves and transferred to account #750-101-5699-18324. The Stormwater Fee Reserve study is reviewed and updated every 5 years with the next review slated for 2024. Staff will incorporate this along with any other inflow and outflow changes and report back to Council upon completion of the review.

HUMAN RESOURCES CONSIDERATIONS

N/A

ALIGNMENT WITH STRATEGIC PRIORITIES:

The extension of the private plumbing protection rebate program is aligned with the City's objectives to provide better quality services to the public and is consistent with "Building Markham's Future Together" strategic plan's goal of a Safe, Sustainable & Complete Community.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance Department has been consulted.

RECOMMENDED BY:

Eddy Wu, P.Eng.
Director, Environmental Services

Morgan Jones
Commissioner, Community Services

ATTACHMENTS:

Appendix A– Private Plumbing Protection Rebate Application Status Map